

8.1/OVERVIEW

While impacted by the recession that started in 2008, Biloxi’s economy is resilient and continues its recovery to the pre-Katrina levels of 2004. The strongest sectors of the economy are hospitality, government, and retail. Although the City is not a major manufacturing center, the seafood industry has a long history in Biloxi and major aerospace and shipbuilding operations are located in the larger Gulf Coast region.

The Biloxi area has traditionally been a destination for people seeking an affordable vacation. The City’s core tourism market remains the “drive from” larger Gulf Coast region from New Orleans to Florida. Since the 1990’s the major tourism attraction has been casino gaming, which also draws visitors from more distant markets. Over 14 million people visited casino-based establishments in the Biloxi-Gulfport region during 2008. While in town, they also stayed at the City’s hotels, visited beaches, and went to restaurants and shows. The casino industry appears likely to achieve and build on the “super-regional” status it achieved prior to Katrina; six of the ten principal employees in Biloxi are casinos (Table 8.1). Investment in new visitor facilities, transportation infrastructure, and recreation attractions will support the City’s efforts to be a premiere destination.

In addition to casinos, Biloxi’s major draws include beaches, fishing, other water-based activities, golfing, and the Mississippi Coast Coliseum and Convention Center. The Convention Center hosts concerts and events throughout the year and is expanding to include 400,000 square feet of meeting space.

TABLE 8.1/BILOXI’S PRINCIPAL EMPLOYERS, 2007

Rank	Employer	Number of Employees
1	Keesler Air Force Base	11,200
2	Beau Rivage Casino and Resort	2,891
3	IP Casino Resort Spa	2,359
4	Hard Rock Hotel and Casino	1,302
5	Grand Casino Biloxi	1,010
6	Biloxi Regional Medical Center	846
7	Biloxi Public School District	750
8	Isle of Capri Casino	710
9	City of Biloxi	689
10	Boomtown Biloxi Casino	681
	Total	22,438

The governmental/institutional services sector is not only a major component of the City's economic base; its facilities and jobs support the overall quality of life in Biloxi. Four of Biloxi's top ten employers are included in this sector and Keesler Air Force Base is the largest employer in the City. The Biloxi Regional Medical Center and Biloxi Public Schools provide high quality healthcare and educational services that benefit Biloxi's residents, businesses, and visitors. Major federal installations in the larger region include the Naval Construction Battalion Center and Mississippi Air National Guard in Gulfport and NASA's John C. Stennis Space Center in Hancock County.

The retail sector in Biloxi has recovered to its pre-Katrina levels. In 2002 the City had 1,353 retail establishments; by the end of 2006 the number was 1,367. The City has a variety of retail options, including the Edgewater Mall as a major center. Retail sales totaled \$791 million in 2006, not including retail sales in Biloxi's casinos. High traffic counts near I-10 interchanges and development in North Biloxi/Woolmarket point to the economic development potential at these interchanges.

Pre and post-Katrina unemployment rates indicate that the City's economy is still adjusting to the losses caused by the hurricane (unemployment rose from 5.4% in 2004 to 8.9% in 2005). Nevertheless, Biloxi is performing better than Mississippi as a whole in providing jobs—the City's labor force of 21,650 workers in 2008 had an unemployment rate of 7.5% (6.8% in the Gulfport-Biloxi Metropolitan Statistical Area or MSA) compared to 8.5% for the state.¹ The 2007 per capita income of \$36,133 reported for the Gulfport-Biloxi MSA compares to figures of \$28,845 for Mississippi (which ranked 50th among all states) and \$38,611 for the U.S. as a whole.²

The seafood industry, in particular shrimping, has a long history as a bastion of Biloxi's economy. However, this industry has declined in recent years due to factors such as storm impacts, depletion of fishing stocks, escalating fuel prices (although this has moderated due to the economic recession), and low-priced competition from overseas. For example, 85% of shrimp sold in the U.S. is pond-raised in Asia and imported at a lower price than Gulf Coast shrimp. Wild American Shrimp, Inc., part of the Southern Shrimp Alliance, is working to raise awareness and interest in the quality of regional seafood compared to foreign, farm-raised imports.

A number of different agencies and organizations are involved in different aspects of economic development in Biloxi, Harrison County, and the region. In addition to the Economic Development Division of the City's Community Development Department, these various entities include, but are not limited to:

- Biloxi Chamber of Commerce
- Biloxi Bay Chamber of Commerce
- Greater Biloxi Economic Development Foundation/Innovation Center
- Gulf Coast Hotel and Lodging Association
- Gulf Regional Planning Commission
- Harrison County Development Commission
- Harrison County Tourism Commission
- Main Street Biloxi
- Mississippi Gulf Coast Convention and Visitors Bureau
- Southern Mississippi Planning and Development District

¹ Source: Mississippi Employment Security Commission

² Source: U.S. Bureau of Economic Analysis (Gulfport-Biloxi MSA); U.S. Census Bureau (Mississippi and United States).

Key Economic Development Issues

- Biloxi's economy is concentrated in tourism/gaming and government services and would be strengthened through diversification into aerospace, shipbuilding, expanded seafood production, and other strong regional sectors.
- Economic development challenges for Biloxi include coordinating new development through infrastructure investment, fostering quality economic development at the I-10 interchanges, focusing growth in designated areas, and implementing appropriate development regulations to create a premiere resort setting.
- Increasing tourism through enhanced entertainment and recreation amenities will require stronger linkages between the casinos, new mixed-use development in Downtown Biloxi, and existing and new attractions such as the Convention Center, Point Cadet, and the City's cultural/museum district.
- Biloxi's historic seafood industry is struggling due to factors such as foreign imports, competition for waterfront property in East Biloxi, and loss of facilities from Hurricane Katrina.
- Uncoordinated retail development could lead to the overbuilding of retail establishments in Biloxi, thus lowering the quality of the City's commercial centers and resulting in a "mismatch" with resident and visitor needs.
- Investing in workforce training, supporting new entrepreneurs, and identifying locations for a future light industrial park north of the Bay, are critical to rebuilding and growing the City's economic base.
- The City makes financial contributions to a number of economic development agencies and organizations operating in Biloxi, the County, and/or the region. These contributions would be most effectively utilized by coordinating the activities of these various organizations to focus on the economic development objectives and actions proposed in this Plan.



8.2/LONG RANGE GOAL, OBJECTIVES, AND ACTIONS

Economic Development Goal

Promote a healthy, diversified, and sustainable economy that provides a strong tax base, needed goods and services, and employment opportunities for Biloxi’s residents.

The long-range goal and supporting objectives and actions are designed to guide the City in making regulatory, investment, and other decisions related to economic development in the City of Biloxi. These objectives and actions will help Biloxi to achieve a sustainable and prosperous future. They address the City’s major economic sectors (Objectives 8-1, 8-2, 8-4, 8-5), Downtown revitalization (Objective 8-3), and business start-up support and workforce training (Objectives 8-6, 8-7).

Implementing these objectives and actions will require coordination and partnerships among the various agencies and organizations involved in economic development activities in Biloxi. To provide a forum for this effort, the plan proposes formation of a “Biloxi Economic Development Committee” as an immediate action to focus on carrying out the direction set by this Economic Development Element. This committee will meet on a regular basis to define how existing and new economic development initiatives can be coordinated and leveraged to maximize their benefits for the City of Biloxi.

Objective 8-1 Support the needs of Biloxi’s major economic anchors while seeking opportunities to diversify economic activity in the City.

- Action 8-1-1 Support the contributions made by governmental, health care, and other institutions to Biloxi’s economy.
- Action 8-1-2 Maintain height restrictions for development around Keesler Air Force Base to prevent negative impacts to its operations.
- Action 8-1-3 Encourage the improvement of casino operations in Biloxi to high facility standards in order to attract a broader clientele.
- Action 8-1-4 Enhance Biloxi’s image as a premiere destination through key streetscape improvements, beachfront design guidelines, development of the Biloxi Peninsula Path, and other targeted investments.
- Action 8-1-5 Explore creation of a business center and light industrial park in the Woolmarket area to attract supporting and start-up businesses for the aerospace and shipbuilding industrial clusters in the region.

To effectively grow Biloxi’s economy, it is important for the City’s public and private investors to focus on strongly established sectors in the region’s economy and build on this base through strategically targeted initiatives. Governmental and institutional services are a major economic anchor for the City; Keesler Air Force Base is Biloxi’s largest employer with 11,200 workers. Managing land uses surrounding the Base (e.g., by maintaining building height limits within flight paths) is important to reduce potential conflicts and ensure the ongoing viability of its operations. Other key institutional anchors include Biloxi Regional Medical Center and Biloxi

Public Schools, which rank 6th and 7th, respectively, among the City's principal employers. Recognizing and supporting the contributions of these institutions will reinforce the role they play in Biloxi's economy, including the important quality of life benefits they provide for residents and businesses. The Regional Medical Center should be encouraged to maintain a strong presence in Downtown Biloxi while medical facilities are developed in Cedar Lake (North Biloxi) and Tradition (Greater Biloxi Planning Area) to serve the growing population in these areas.

The tourism/casino industry, another key economic anchor for the City, should be supported through public/private partnerships and investments in visitor amenities. The key to Biloxi's future growth as a premiere destination will be continued investment in transportation infrastructure, visitor facilities and amenities (e.g., the Convention Center expansion), and a wider range of entertainment/recreation options.

A larger regional asset that could help Biloxi diversify its economy is the cluster of aerospace and shipbuilding industries along the Mississippi Gulf Coast. The John C. Stennis Center, located approximately 50 miles west of Biloxi in Hancock County, contains more than 30 federal, state, academic, and private technology-based organizations. East of Biloxi, the Ingalls shipyard in Pascagoula is Mississippi's largest employer with more than 10,000 workers. The proposed Woolmarket Regional Activity Center or other suitable location with easy access to I-10 should be explored as areas with the potential to attract new and expanding businesses related to these industrial clusters (e.g., specialized manufacturing, research, and development, other light industrial uses). The Center could also include a rail spur to support relocation of the railroad from south of the Bay and encourage economic development.

Objective 8-2 Grow the visitor industry by increasing the range of activities and attractions for individuals and families.

- Action 8-2-1 Promote destination retail and supporting commercial services (e.g., hotels) around Biloxi's visitor facilities to generate visitor spending and economic activity.
- Action 8-2-2 Promote the Convention Center (Mississippi Coast Coliseum) expansion and the facilities being constructed at Harrah's Margaritaville to increase visitation to Biloxi.
- Action 8-2-3 Strengthen Biloxi's cultural/museum district as a mixed-use, entertainment center linked to the Biloxi Peninsula Path.
- Action 8-2-4 Create a variety of new tourist attractions based on Biloxi's unique setting.
- Action 8-2-5 Expand the public marinas and piers on the Peninsula to support Biloxi's recreational boating and fishing opportunities, with the Lighthouse and Point Cadet areas being a high priority for this investment.
- Action 8-2-6 Partner with the Mississippi Gulf Coast Convention and Visitors Bureau, Biloxi Chamber of Commerce, the Mississippi Gulf Coast National Heritage Area, and other organizations involved in tourism to enhance marketing of Biloxi's attractions as part of a regional marketing strategy.



The Biloxi area has historically been an affordable vacation destination. Since the 1990's, the major attraction has been casino gaming. But the region also offers a beachfront location and other recreational amenities, which are drawing visitors from greater distances and supporting Biloxi's efforts to be a premiere destination.

Increasing amenities that encourage current visitors to extend their stay in the region and/or attract new visitors with more money to spend (e.g., heritage and eco-tourists) should be a priority in order to "grow" Biloxi's tourism industry. Examples of such amenities include marinas and other outdoor recreation opportunities; attractions that showcase Biloxi's unique history and culture; water-related festivals and special events; etc. These opportunities will also stimulate economic activity by positioning Biloxi as a center of activity for the region.

The Convention Center expansion and the Margaritaville Casino and Resort on Beach Boulevard in East Biloxi are the major visitor-oriented projects under development. Additional hotels rooms are needed to support increased visitation, particularly in the area around the Convention Center. Many hotel and motel establishments were destroyed by Katrina, particularly along Highway Boulevard in West Biloxi. In 2007 there were 5,444 hotel rooms in Biloxi compared to the pre-Katrina figure of 9,277 rooms.

Developing additional commercial and entertainment options with physical and programmatic links to the casinos and convention facilities will increase visitor activities and spending. Strengthening linkages between the casinos and Downtown is particularly important (see Objective 8-3 below). Also, providing more non-gaming attractions, such as boating and fishing

facilities and events, will broaden and diversify the City's visitor industry. Biloxi's potential as a major boating destination is limited by the availability of marina space; the rebuilding of facilities destroyed by Katrina should be completed as soon as possible and opportunities sought to develop expanded capacity. The Point Cadet area is a particularly high priority for investment in marina facilities and a venue to accommodate fishing and water-related festivals and special events. Examples of other possible new attractions include a Seafood Village (Action 8-4-3), a bayou recreation and open-air aquarium (possibly connected with a Seafood Village and the Biloxi Peninsula Path), a golf course, and a "Hurricane Hunters" experience based on the 53rd Weather Reconnaissance Squadron at Keesler Air Force Base.

The Mississippi Gulf Coast Convention and Visitors Bureau's website disseminates information on attractions and events along the Gulf Coast and in Biloxi to prospective visitors. This and other websites that promote tourism attractions in the region could be strengthened through increased linkages and focusing on specific segments of the population who might be attracted to Biloxi, such as eco-tourists. Expanded advertising via television, radio, and print media can be used to promote Biloxi and the region as a tourism destination if conducted to reach targeted groups based on a carefully constructed marketing strategy and research. The one percent food and beverage tax is a potential source of revenue for an enhanced marketing campaign. A partnership could also be formed with the casinos to promote the range of activities and attractions available in the area to patrons.

Objective 8-3 Revitalize the Downtown as a mixed-use activity center and destination in the heart of Old Biloxi.

- Action 8-3-1 Focus Downtown retail and restaurant investment in the “Rue Magnolia” shopping district.
- Action 8-3-2 Pursue opportunities for “catalytic” mixed-use development in Downtown Biloxi, with housing concentrated in areas outside of the 100-year floodplain.
- Action 8-3-3 Attract additional destination restaurants to create a restaurant cluster Downtown and provide dinner options for Downtown visitors (e.g., Saenger Theater patrons).

The Downtown epitomizes the heritage of “Old Biloxi.” Restoration and adaptive reuse of traditional Downtown buildings and mixed-use infill development are important revitalization opportunities that can help preserve this unique heritage, provide housing opportunities for nearby workers and others seeking an urban living environment, and offer visitors new entertainment options. Establishing linkages with the nearby casinos per Objective 8-2 and focusing commercial investment in a “Rue Magnolia” destination shopping and restaurant district are key strategies to promote a 24-hour, mixed-use environment for residents and visitors in Downtown Biloxi (see Section 9.5, Downtown Improvement Strategy).

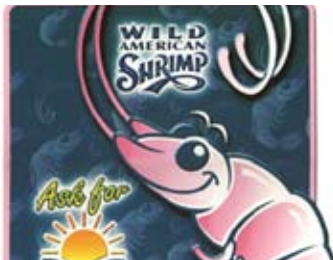
Objective 8-4 Ensure that the commercial seafood industry remains a vital part of Biloxi’s economy, heritage, and appeal as a premiere visitor destination.

- Action 8-4-1 Provide docking space and support facilities on a long-term basis to maintain the Back Bay in East Biloxi as the center of Biloxi’s commercial shrimp fleet and seafood processing industry.
- Action 8-4-2 Expand commercial docking facilities on the Peninsula.
- Action 8-4-3 Implement the proposed Seafood Village on the Back Bay in East Biloxi.
- Action 8-4-4 Revise the Waterfront District in LDO to incorporate standards encouraging waterfront uses.



The seafood industry is key to Biloxi's economy and culture. The total economic impact in the greater Biloxi region was estimated at \$900 million dollars, with over 16,800 workers in 2003, demonstrating the industry's value to the City's economic base. It is also a unique local attraction for tourists visiting Biloxi.

Currently, the industry is struggling due to inexpensive foreign competition and the loss of critical waterfront facilities. Establishing a dedicated commercial seafood processing center, expanded dock capacity, and other support facilities (i.e., ice plants and refueling facilities) are key actions needed to sustain a viable seafood industry in the future. Initiatives such as Wild American Shrimp, which is promoting the superior quality of product from American (South Atlantic and Gulf Coast) waters, is important to increase consumer awareness and demand for native shrimp. Construction of the proposed Seafood Village in East Biloxi would further support both the seafood industry and Biloxi's tourism trade. Finally, the Waterfront (WF) district regulations in the LDO could be revised to provide a greater focus on working waterfront uses, for example by encouraging uses such as commercial docking and "off-the-boat" seafood sales where gaming establishments are permitted along the waterfront.



Objective 8-5 Encourage quality retail opportunities to serve residents' needs, increase the range of visitor activities, and capture tax revenues in locations such as the I-10 interchanges.

- Action 8-5-1 Promote quality, mixed-use development in the centers proposed by the Future Land Use Plan at the I-10 interchanges in North Biloxi (Cedar Lake Road) and Woolmarket (Highway 67).
- Action 8-5-2 Maintain the economic vitality of Edgewater Mall by managing the expansion of potentially competing regional retail uses elsewhere on the Peninsula.
- Action 8-5-3 Target community-level retail investment as part of a mixed-use development strategy along older commercial corridors (e.g., Pass Road) and in Downtown Biloxi.

Biloxi has experienced significant retail investment in recent years and the retail sector has returned to its pre-Katrina levels. The City supports a range of retail establishments, including Edgewater Mall, the Mississippi Coast's largest enclosed mall; community-serving retail development in the Cedar Lake Road area of North Biloxi; and older uses along commercial corridors such as Pass Road.

The retail environment is a dynamic one and businesses in Biloxi face competition from shopping areas located elsewhere in the region. For example, a large commercial/"big box" retail center has been developed in D'Iberville in the vi-

cinity of the I-10/I-110 interchange. However, the key to sustaining a strong retail base is not to compete directly against such developments, but rather to define and pursue strategic “niches” that differentiate Biloxi and reinforce its image as the premiere destination and activity center in the region. Thus the proposed North Biloxi and Woolmarket major mixed-use centers provide the opportunity to create a positive image of Biloxi through quality development at two key “gateways” to the City, utilizing land use policies, regulations, and targeted infrastructure investment. Edgewater Mall’s position as a regional retail destination can be supported by directing land use policies and regulations to differentiate it from other retail areas on the Peninsula (e.g., visitor-oriented uses in the Convention Center District; neighborhood and community-serving uses along Pass Road). As described under Objective 8-3, commercial investment in the Downtown should be targeted to support its development as a unique destination and regional activity center based on Biloxi’s history and heritage. Given the high number of vacant and underutilized properties in Downtown and along Pass Road and other commercial corridors, housing/mixed-use development should be encouraged where feasible to strengthen these areas and increase the local market for neighborhood and community-serving retail uses.

Objective 8-6 Building on the work of the Innovation Center, encourage business startups and “home-grown” entrepreneurial activity.

Action 8-6-1 Support the Innovation Center’s efforts to make potential entrepreneurs aware of the resources and services it offers.

Action 8-6-2 Support establishment of an Innovation Center East Biloxi facility to provide training and support services for local entrepreneurs.

Action 8-6-3 As part of the Innovation Center’s assistance and incentive programs, explore the possibility of some form of cooperative insurance to address the issue of expensive business insurance.

A sustainable economy for Biloxi depends upon a foundation of local enterprises that diversify the City’s economy, provide job opportunities, and “recycle” investments and profits in the region’s economy rather than exporting them elsewhere. Interviews with residents of East Biloxi indicated an interest in starting small businesses (e.g., specialty cuisine) but a need for resources and technical assistance to do so. Recognized as a model for implementing local business development, Biloxi’s Innovation Center offers low-cost rental space, support services, shared conference facilities, counseling, and other assistance for start-up business. However, the Innovation Center’s present location on Popp’s Ferry Road in North Biloxi is not readily accessible to East Biloxi residents. To promote increased small business activity in Biloxi, the City should pursue a partnership with the Center to increase awareness of what it has to offer and to establish a satellite facility that is more accessible to potential entrepreneurs in East Biloxi.

The high cost of insurance is a major obstacle to business development and profitability in Biloxi. While this issue is beyond the capabilities of the City to address, the Innovation Center could explore whether cooperative arrangements or partnerships might be developed to reduce insurance costs for individual businesses.

Objective 8-7 Partner with educational institutions, major employers, and economic development agencies on workforce training and development programs that prepare Biloxi students and residents for employment opportunities in the 21st century.

Action 8-7-1 Strengthen vocational training programs in the Harrison County and Biloxi School Districts for students not planning to attend college.

Action 8-7-2 Implement career ladder programs and entry level job opportunities that support Biloxi’s major economic clusters with in partnership with public schools and major employers.

Action 8-7-3 Increase the entrepreneurial training courses offered by area educational institutions in partnership with the Greater Biloxi Economic Development Foundation.

Increased coordination between Biloxi’s educational institutions and major employers (Keesler Air Force Base, Biloxi Medical Center, etc.) can be directed to create job opportunities for new workers in regional economic sectors such as medical services and aerospace. Harrison County Public Schools is planning to develop a “workforce training academy” tied to regional industry “clusters” (tourism, metal trades, and the aerospace industry); the Biloxi Public School District should also consider such a facility. Entrepreneurial training and small business development programs offered through area schools and colleges should also be increased. A good example is the University of Southern Mississippi’s (with the assistance of the Innovation Center) Southern Youth Entrepreneurship program of entrepreneurial studies in area high schools. In addition to an entrepreneurial curriculum, this program sponsors a business plan writing contest and a one-year scholarship for the winners at the Innovation Center.

