

Gulf Coast Business Council
Research Update

PRESIDENTS NOTES

April 4, 2016

Employment. In late March, The Mississippi Department of Employment Security released preliminary February estimates for its Annual Labor Force Report. Notably, MDES revises their numbers every April so this data is subject to change. Key considerations below:

- For the third consecutive month, the combined Mississippi Gulf Coast reported an increase in total establishment jobs¹.
- Overall the combined Mississippi Gulf Coast reported 1,600 more jobs in February 2016 than it did prior year. Job sectors reporting the strongest growth were Government & Education, Leisure & Hospitality, and Retail Trade.
- The overall unemployment rate in February 2016 was 6.4%, compared to 6.8% prior year. Mississippi's overall rate was 6.2% while the United States unemployment rate was 4.9% in February (according to the Bureau of Labor Statistics).

Table 1: Mississippi Gulf Coast Establishment Jobs

Establish Jobs on the Mississippi Gulf Coast

Source: Mississippi Department of Employment Security

| | 2/29/2016 | 2/28/2015 | Change | % Change | Pre Recession | |
|------------------------------------|----------------|----------------|--------------|-------------|----------------|----------------|
| | | | | | 2/29/2008 | Change |
| Manufacturing | 18,890 | 19,090 | (200) | -1.0% | 20,900 | (2,010) |
| Agri., Forestry, Mining, Utilities | 1,840 | 1,780 | 60 | 3.4% | 1,650 | 190 |
| Construction | 8,170 | 8,250 | (80) | -1.0% | 11,390 | (3,220) |
| Wholesale Trade | 2,300 | 2,210 | 90 | 4.1% | 2,500 | (200) |
| Retail Trade | 17,900 | 17,200 | 700 | 4.1% | 17,800 | 100 |
| Transportation and Warehousing | 2,700 | 2,970 | (270) | -9.1% | 3,450 | (750) |
| Information | 1,590 | 1,500 | 90 | 6.0% | 1,900 | (310) |
| Finance & Insurance, Real Estate | 5,210 | 5,200 | 10 | 0.2% | 5,810 | (600) |
| Professional Services | 4,930 | 5,290 | (360) | -6.8% | 6,660 | (1,730) |
| Management of Companies | 1,240 | 1,240 | 0 | 0.0% | 880 | 360 |
| Waste Mgt. | 8,130 | 9,160 | (1,030) | -11.2% | 10,140 | (2,010) |
| Educational Services | 1,010 | 1,020 | (10) | -1.0% | 640 | 370 |
| Health Care | 11,690 | 11,180 | 510 | 4.6% | 10,260 | 1,430 |
| Leisure & Hospitality | 28,100 | 27,200 | 900 | 3.3% | 27,400 | 700 |
| Other Services and Government | 5,200 | 5,300 | (100) | -1.9% | 5,800 | (600) |
| Government and Education | 33,890 | 32,600 | 1,290 | 4.0% | 32,710 | 1,180 |
| Total Establishment jobs | 152,790 | 151,190 | 1,600 | 1.1% | 159,890 | (7,100) |

¹ Establishment jobs are those located on the Mississippi Gulf Coast and do not include self-employed individuals.

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Table 2: MISSISSIPPI GULF COAST EMPLOYMENT SUMMARY

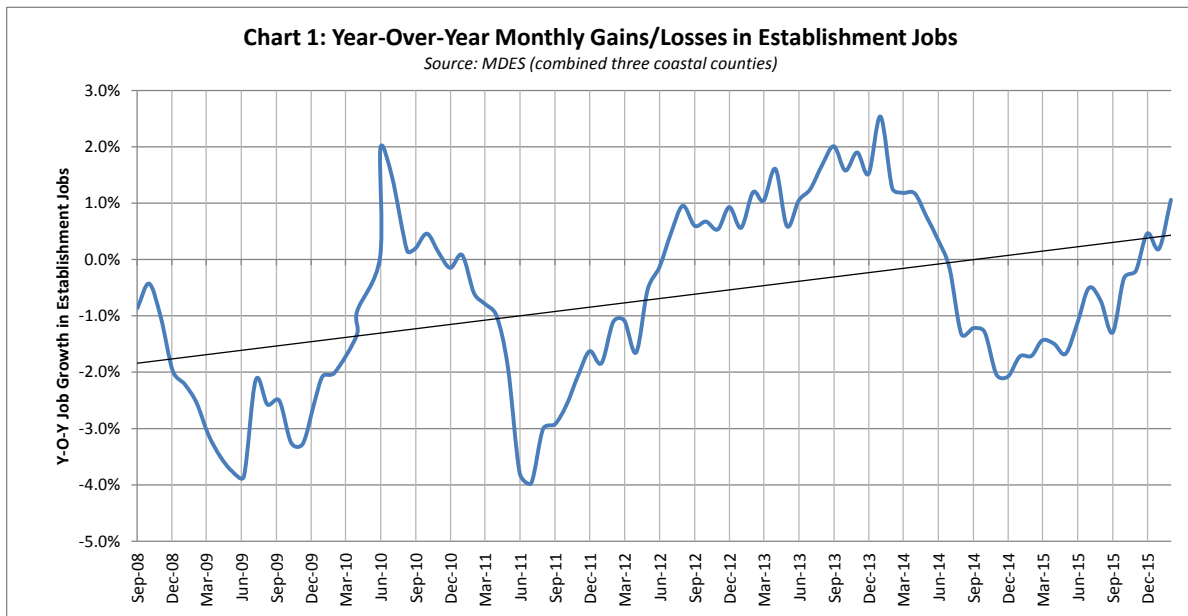
| February 2016 | | | | | |
|----------------------|---------|----------|---------|----------------|---------------------|
| | Hancock | Harrison | Jackson | Combined Coast | Overall Mississippi |
| Civilian Labor Force | 18,840 | 86,500 | 60,230 | 165,570 | 1,289,200 |
| Unemployed | 1,220 | 5,100 | 4,230 | 10,550 | 79,500 |
| Rate | 6.5% | 5.9% | 7.0% | 6.4% | 6.2% |
| Employed* | 17,620 | 81,400 | 56,000 | 155,020 | 1,209,700 |

| February 2015 | | | | | |
|----------------------|---------|----------|---------|----------------|---------------------|
| | Hancock | Harrison | Jackson | Combined Coast | Overall Mississippi |
| Civilian Labor Force | 18,010 | 82,250 | 57,790 | 158,050 | 1,228,200 |
| Unemployed | 1,200 | 5,140 | 4,360 | 10,700 | 83,700 |
| Rate | 6.7% | 6.2% | 7.5% | 6.8% | 6.8% |
| Employed* | 16,810 | 77,110 | 53,430 | 147,350 | 1,144,500 |

Year-Over-Year Change

| | Hancock | Harrison | Jackson | Combined Coast | Overall Mississippi |
|----------------------|---------|----------|---------|----------------|---------------------|
| Civilian Labor Force | 830 | 4,250 | 2,440 | 7,520 | 61,000 |
| Unemployed | 20 | (40) | (130) | (150) | (4,200) |
| Rate | -0.2% | -0.4% | -0.5% | -0.4% | -0.6% |
| Employed* | 810 | 4,290 | 2,570 | 7,670 | 65,200 |

*Employed individuals live in the surveyed area but do not necessarily work in the same area.



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Sales Tax Diversions. The Mississippi Department of Revenue has released monthly sales tax diversions (these occur the month after sales take place) through February. Key considerations below:

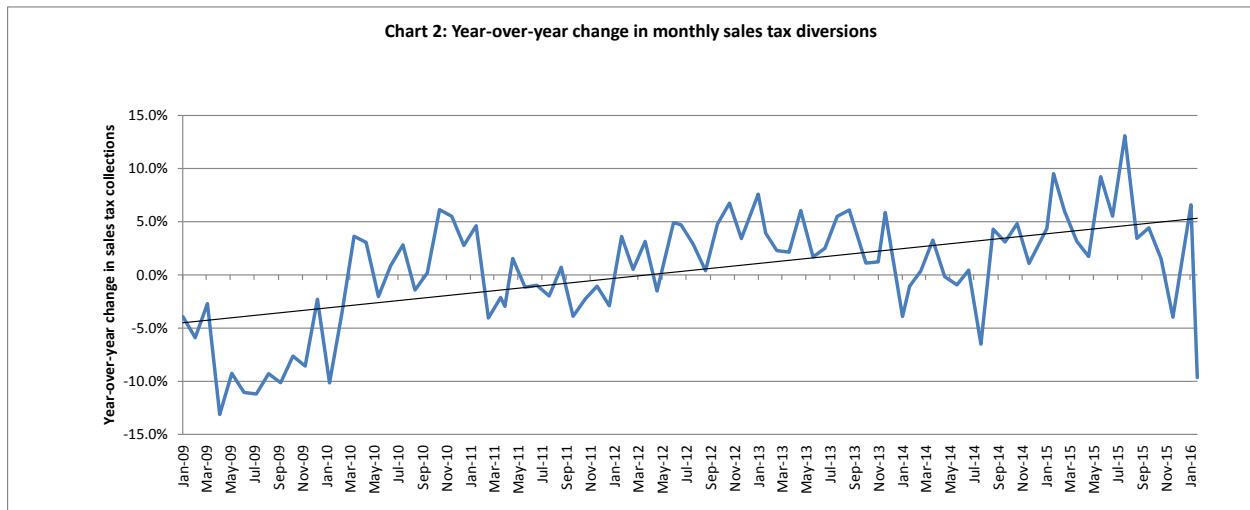
- After 15 consecutive months of year-over-year growth in the region’s combined municipal sales tax base, the last three months (December through February) have yielded mixed results, with declines in December 2015 and February 2016, and growth in January 2016. Generally speaking, the Mississippi Gulf Coast has followed a statewide trend in sales tax growth.
- D’Iberville has reported strong growth year-over-year, likely due to the new Scarlet Pearl Casino opening in December 2015.

Table 3: January and February Sales Tax Diversions

Source: Mississippi Department of Revenue

| | 2016 | 2015 | 2016 vs 2015 | 2008 (pre-recession) | 2016 vs 2008 | 2005 (pre-Katrina) | 2014 vs 2005 |
|-----------------|-------------|-------------|-----------------|-------------------------|-----------------|-----------------------|-----------------|
| BAY ST LOUIS | 216,567 | 225,848 | -4.1% | 214,836 | 0.8% | 204,680 | 5.8% |
| BILOXI | 1,788,162 | 1,872,844 | -4.5% | 1,849,668 | -3.3% | 2,058,884 | -13.1% |
| DIAMONDHEAD | 90,584 | 84,100 | 7.7% | 0 | NA | 0 | NA |
| D'IBERVILLE | 1,406,641 | 1,147,297 | 22.6% | 775,262 | 81.4% | 594,860 | 136.5% |
| GAUTIER | 366,489 | 334,099 | 9.7% | 457,848 | -20.0% | 365,459 | 0.3% |
| GULFPORT | 3,275,519 | 3,449,402 | -5.0% | 3,883,389 | -15.7% | 3,131,870 | 4.6% |
| LONG BEACH | 218,436 | 215,583 | 1.3% | 262,881 | -16.9% | 240,183 | -9.1% |
| MOSS POINT | 283,223 | 301,167 | -6.0% | 280,396 | 1.0% | 227,936 | 24.3% |
| OCEAN SPRINGS | 807,937 | 845,571 | -4.5% | 812,378 | -0.5% | 642,649 | 25.7% |
| PASCAGOULA | 852,260 | 899,222 | -5.2% | 1,121,122 | -24.0% | 892,242 | -4.5% |
| PASS CHRISTIAN | 204,285 | 212,565 | -3.9% | 53,084 | 284.8% | 216,445 | -5.6% |
| WAVELAND | 377,293 | 370,919 | 1.7% | 491,887 | -23.3% | 382,606 | -1.4% |
| Combined Cities | \$9,887,395 | \$9,958,617 | -0.7% | \$10,202,751 | -3.1% | \$8,957,815 | 10.4% |

*Diamondhead began receiving sales tax collections in March 2012.



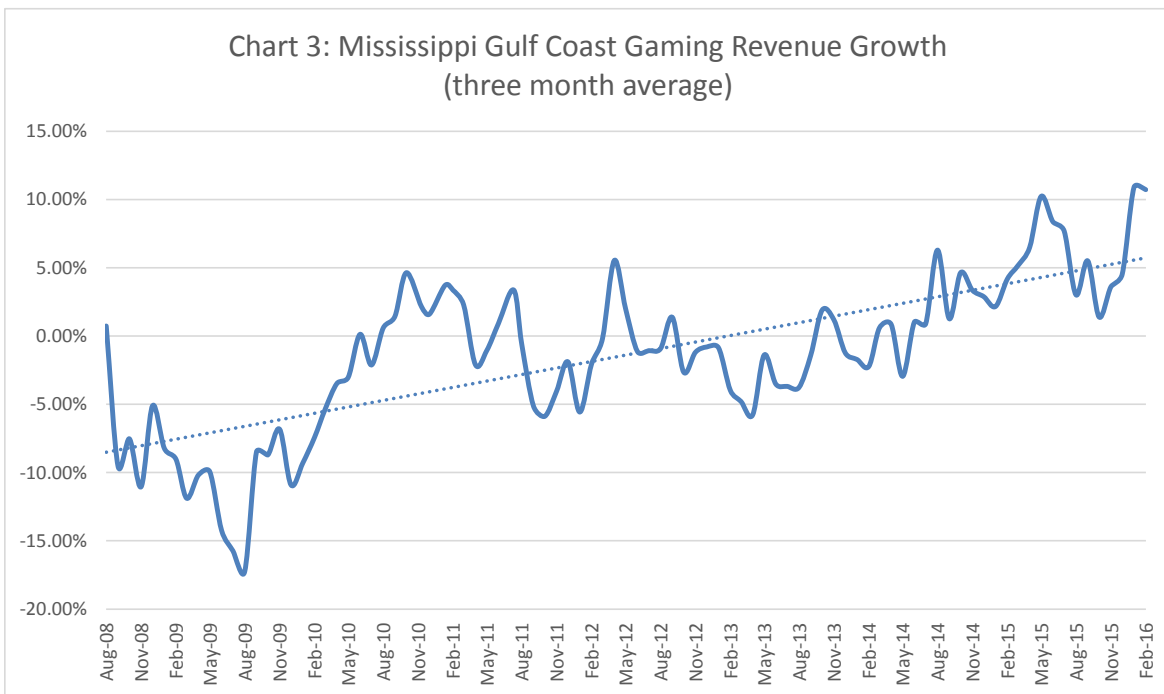
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Tourism. The Mississippi Gulf Coast’s tourism industry fared well versus prior year, which bodes well as the region transitions to peak tourism season.

- From the perspective of tourism tax collections, the Mississippi Gulf Coast has outpaced some of its regional counterparts over the last six months.
- The Mississippi Gulf Coast’s gaming industry has reported \$23 million in incremental gaming revenue growth over the first two months of 2016 versus prior year.

Table 4: Last Six Months (taxes unless specified as sales...tax collections lag actual sales)
Thru February returns unless otherwise noted

| | Current Year | Prior Year | Change |
|---|--------------|-------------|--------|
| Harrison County Hotel Tax | 3,479,812 | 3,103,308 | 12.1% |
| All MS Coast Tourism | 4,355,583 | 3,961,104 | 10.0% |
| Fort Walton (thru December Returns - taxable sales) | 558,054,807 | 513,992,964 | 8.6% |
| Panama City (thru December Returns - taxable sales) | 568,567,950 | 527,368,613 | 7.8% |
| Pensacola (thru December Returns - taxable sales) | 665,392,703 | 621,938,600 | 7.0% |
| Gulf Shores (thru January Returns - taxable sales) | 308,180,337 | 290,939,955 | 5.9% |
| City of Hattiesburg | 2,734,865 | 2,614,019 | 4.6% |
| New Orleans | 36,675,273 | 35,194,132 | 4.2% |
| City of Jackson | 4,033,348 | 3,900,299 | 3.4% |
| City of Tupelo | 834,466 | 829,573 | 0.6% |



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Real Estate and Economic Development.

- According to Treen Reports, the Mississippi Gulf Coast saw an uptick in residential permits applied for in the fourth quarter 2015 versus same quarter prior year. The fourth quarter was the most active quarter for residential permitting since the first quarter of 2010.
- Biloxi has several hotel projects in the pipeline, including a Hilton Garden Inn, a new project where the former Casino Magic was located, and a new hotel where the former Santa Maria del Mar apartments were located.
- Amtrak is working on a possible return to providing rail service on the Mississippi Gulf Coast, which would include service to Mobile, New Orleans, and Orlando as key stops.
- The newly created Gulf Coast Broadband Commission is actively working on bringing gigabyte internet access to the Mississippi Gulf Coast. Governor Phil Bryant has indicated that \$15 million from the state’s BP Settlement could go towards financing. Similar investments in broadband internet infrastructure have yielded positive results in other parts of the country, including Chattanooga and Lafayette
- Edison Chouest Offshore, an offshore energy service and supply company, will be making a \$68 million corporate investment which will bring 1,000 full-time jobs to the Port of Gulfport.
- In March NASA successfully tested the first deep space RS-25 rocket engine. The work being done at Stennis Space Center is instrumental to the first manned deep-space mission in more than 45 years.

