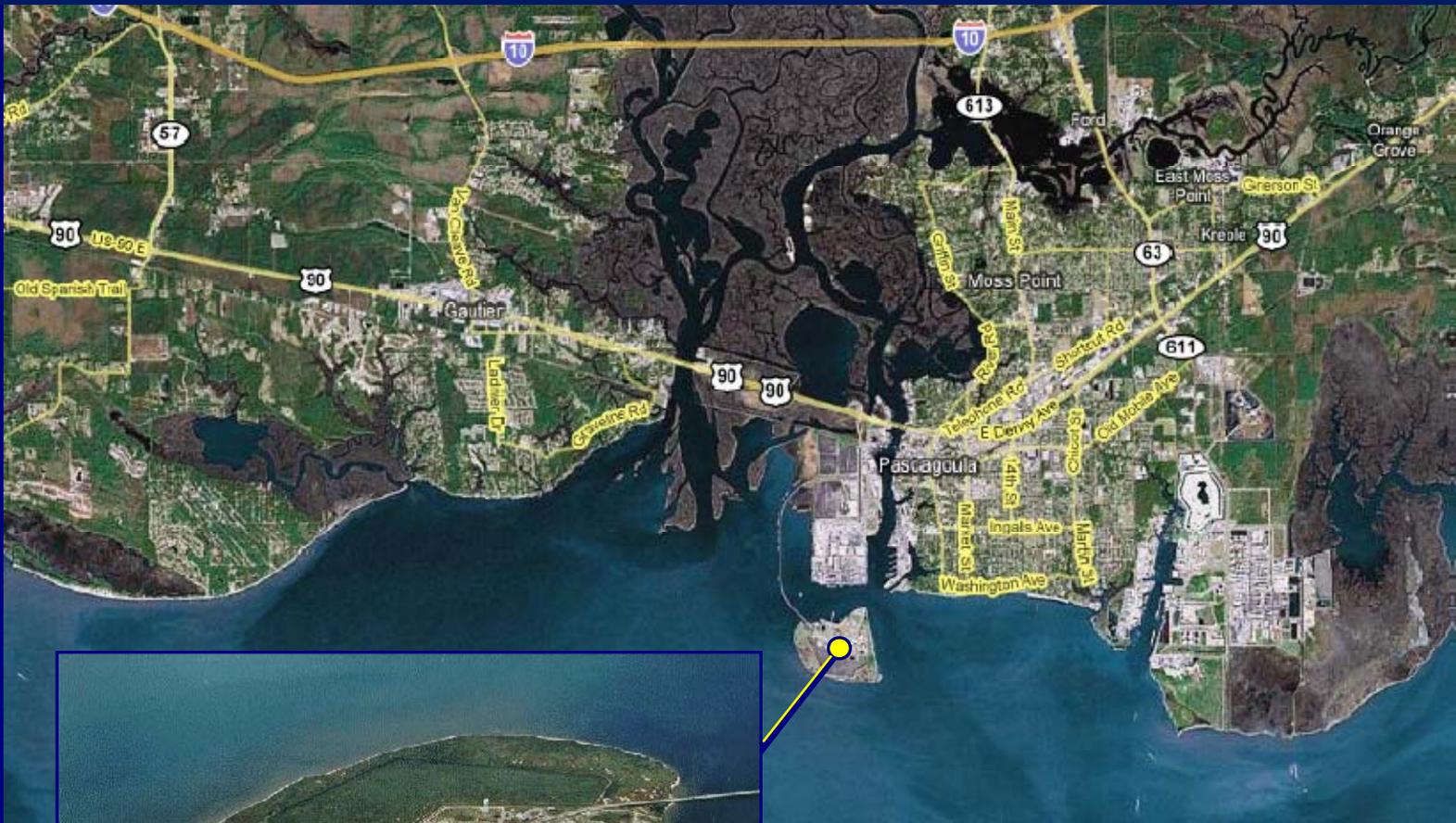


**DRAFT FINAL**

# Reuse Planning Analysis and Report Naval Station Pascagoula, Mississippi

*Prepared for Naval Station Pascagoula Local Redevelopment  
Planning Authority*

**December 2008**



**Naval Station Pascagoula**

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- Appendix B - Land Lease Analysis
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- Appendix E - Other Uses - Hotel / Casino
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## **EXECUTIVE SUMMARY**

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The study herein was conducted by Malcolm Pirnie, Inc., at the request of the Jackson County Port Authority, representing the Naval Station (NS) Pascagoula Local Redevelopment Authority (LRA), to provide informed reuse planning services for Singing River Island, the property associated with the former NS Pascagoula. The following objectives are addressed in this report: (a) conduct a Market Study and Highest and Best Use Analysis, (b) prepare Alternative Reuse Strategies, (c) prepare a Redevelopment Plan, (d) assess the fiscal impacts of the Redevelopment Plan, and (e) prepare and present findings and recommendations for the subsequent marketing of the property, in order to place the property into reuse as quickly as possible. In addition, it is assumed that any recommended uses that require legislative amendments will be in cooperation with the Mississippi State Legislature.

### **ASSET DESCRIPTION**

The deed for the property associated with NS Pascagoula was originally conveyed from the State of Mississippi to the United States in 1988 with the provision that the property would revert to the State if the Navy abandoned the home port. Therefore, the deed was transferred from the United States to the Mississippi Secretary of State on June 1, 2007. The former NS Pascagoula comprises three properties: Singing River Island, Lakeside Naval Support Facility, and the Sandhill Landing Family Housing Area. This report addresses reuse and redevelopment plan alternatives for Singing River Island (the Property).

Singing River Island is located in Mississippi Sound at the mouth of the Pascagoula River. Years of deposition of dredge material created the 437-acre man-made island. Developments cover 187 acres of the island, and 100 acres of the island are utilized as a dredge material management area. The remaining acreage is composed of salt marsh that cannot be developed. A two-lane causeway that spans approximately 2.8 miles of the Mississippi Sound provides access to the island. When driving across the

causeway, the view consists of the open waters of the Mississippi Sound to the west and the highly industrialized shipbuilding systems of Northrop Grumman to the east.

## **DEVELOPMENT CONSIDERATIONS**

Key development considerations specific to the redevelopment and reuse of Singing River Island include stakeholder concerns, environmental issues, and compatibility with other developments in the Pascagoula area. Two additional factors that directly impact the development of the Property include the recently enacted economic tax incentive programs by the State of Mississippi and the recently revised zoning ordinance in the City of Pascagoula.

### **Economic Incentive Programs**

The State of Mississippi enacted economic tax incentive programs for the purpose of accelerating the recovery efforts from Hurricane Katrina. Tax incentive programs are in effect throughout the state. In addition, 49 of Mississippi's 82 counties are eligible for the Go Zone Tax Incentive Program. The federal government is funding the Go Zone incentives to encourage new investment and development in the areas that were damaged by Hurricanes Katrina, Wilma, and Rita in 2005. The incentives include low-income housing tax credits, increase of rehabilitation tax credit for commercial buildings, additional bonding authority, enhanced Section 179 expensing for small businesses, extension of net operating loss carry back, 50% expensing of demolition costs, remediation expensing, relief for small timber owners, expanded work opportunity tax credits, increase in new markets tax credits, increase in Hope scholarship and lifetime learning credits, allowing municipalities to restructure outstanding debt to reduce costs, authorizing gulf tax credit debt service bonds, and gulf coast recovery bonds. Additionally, an extension through December 31, 2010 has been granted for Hancock, Harrison, Jackson, Pearl River, and Stone counties, providing a bonus depreciation within the region. This incentive allows businesses and some residential owners to claim an additional first-year depreciation deduction equal to 50% of the cost of new property investments made in the region.

### **City of Pascagoula Revised Zoning Ordinance**

The City of Pascagoula enacted a revised zoning ordinance effective June 19, 2007. The zoning district and permitted uses are described for the Property as follows: Singing River Island is zoned *SU - Special Use District*. Permitted uses are not specified in the zoning ordinance and are subject to approval by the Port of Pascagoula, the city's Zoning Board, City Council, and the city's Planning Board. The current uses at Singing River Island, pre-existing from the Navy's use of the island, include light industrial-warehouse, office, multi-unit apartment, recreation, and marine (pier). It is assumed that the governing authorities have approved the existing uses.

### **VALUATION AND RECOMMENDED USE**

Based on the Market Study and the Highest and Best Use Analysis of the Property, the recommendation for the reuse of Singing River Island is an Industrial/Office Park Development with Northrop Grumman as the anchor tenant. The recommended development includes new flex-office space composed of warehouse/light manufacturing space with supporting administrative office space.

This use will be compatible with and complementary to Northrop Grumman's use of Singing River Island. Retail, recreational, and residential developments are excluded from the recommended Industrial/Office Park Development; however, the recommended usage of the Property will be compatible with and complementary to the City of Pascagoula's Riverfront Master Plan, which does include retail, recreational, and residential uses.

### **Environmental Issues**

The Property is 437 acres, which includes 150 acres of salt marsh that are considered undevelopable. There are no other environmental conditions, natural resources, or cultural resources that impede redevelopment. There are no other known features, amenities, or characteristics of the property that constrain redevelopment. There are no easements constraining redevelopment. Consequently, industrial development of the property is physically possible on a majority of the island, with the exception of the

salt marsh. However, this undevelopable area could be considered available for public use. Possible uses are outlined in Appendix D of this report.

## **Recommended Uses**

### ***Short-Term Use (1-5 years)***

The Highest and Best Short-term Use of the Property is as an Industrial/Office Park Development that focuses on retaining Northrop Grumman as the primary user and anchor tenant. Northrop Grumman is one of the most influential economic forces in the region, and the company will be able to utilize a large portion of the island to its maximum potential with the support of the LRA, the Jackson County Economic Development Foundation, the Port, and the State. It is envisioned that Northrop Grumman's primary business vendors and other prospective industrial tenants will lease office/industrial space to further enhance the shipbuilding and maritime industry in the area.

It is recommended that the entities comprising the LRA actively market the Industrial/Office Park Development and continue to work with Northrop Grumman for the issuance of a Notice of Interest (NOI). The shortage of quality family homes as well as the availability and skill level of the workforce in the Pascagoula area must be addressed by Northrop Grumman and the local entities. However, these challenges can be overcome through coordinated efforts by the local entities and residential developers.

### ***Mid-Term Use (6-15 years)***

A secondary Mid-term Use recommendation is a planned Mixed-use Development as a Maritime Commerce Center (Figure ES-1) in which Northrop Grumman continues as the anchor tenant with other flex-office users, the United States (U.S.) Coast Guard, possible participation of the National Oceanic and Atmospheric Administration (NOAA), and a Center for Advanced Maritime Technology. This development satisfies the interest of the existing tenants, who welcome the continuation and possible extension of their lease agreements.

A planning strategy to create a Center for Advanced Maritime Technology must be initiated through a collaborative public-private partnership, which will include a research university. A NOI should be sent to various commercial developers to gauge market interest and to reveal potential conflicts with current tenants. Providing a NOI to commercial developers would ensure compatibility with the City of Pascagoula's Riverfront Master Plan since retail and recreational uses could be included in the Mixed-use Development. A measured approach would create synergy between the Maritime Commerce Center Mixed-use Development and the City of Pascagoula's Riverfront Master Plan.

### **Financial Analysis**

Extensive research of data for the various commercial, residential, and retail products of the local and regional area was conducted in order to determine the Highest and Best Use recommendation. A Land Lease Analysis (Appendix B) was conducted to illustrate possible land values and land lease payments based on certain assumptions and development yields. The annual land lease payment for the initial lease term is an estimated \$882,772, which is designed to cover the current operating and maintenance costs on the island.

### **Acquisition Strategy**

For the purpose of this report, it is assumed that the State of Mississippi will retain ownership of Singing River Island and continue (or enter into additional) land lease agreements for the various uses through its agreement with the Port of Pascagoula. In addition, it is assumed that any recommended uses that require legislative amendments will be accomplished in cooperation with the Mississippi State Legislature.

## 1.0 SITE DESCRIPTION

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### 1.1 Location

NS Pascagoula, Mississippi, was located on the north side of Singing River Island in the Mississippi Sound at the mouth of the Pascagoula River. NS Pascagoula occupied 187 acres of the 437-acre Singing River Island, which is a man-made island created through many years of deposition of dredge materials from the Pascagoula federal channel and nearby Northrup Grumman Ship Systems (NGSS) Ingalls Shipbuilding. The island is situated just south of the NGSS Ingalls facility, southwest of the main port at NS Pascagoula. Vehicular access to the island is by way of a 2.8-mile causeway (Figure 1-1).

Figure 1-1: Aerial view of Singing River Island, NS Pascagoula



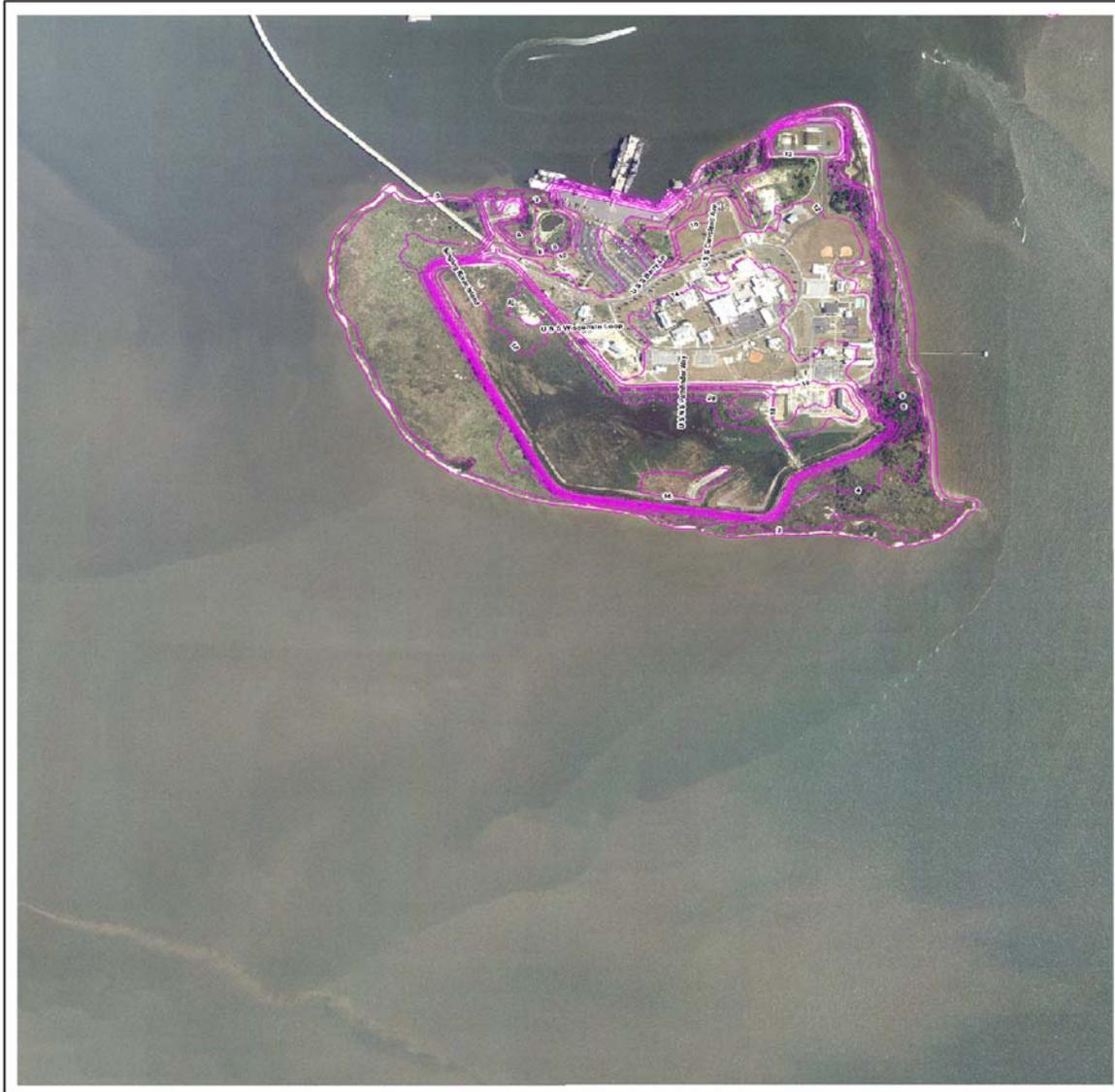
### 1.2 Area Description

Singing River Island is surrounded by the Mississippi Sound and is bound to the west and south by a large dredge material deposit site. Salt marsh surrounds the entire island and deposit site. The island is grassy with sparse shrubs and small trees. The buildings and facilities are relatively modern and appear to be well maintained. Warehouse-type, office-type, and residential-type buildings exhibit consistency in

appearance. The land area of the Property is 437 acres, of which 187 acres have been developed and contain the existing improvements described in the facilities assessment report, *Hurricane Katrina Damages to Naval Station Pascagoula* (Compton, 2006). The remaining acreage includes 100 acres of dredge material management area to the south and approximately 150 acres of salt marsh lands that border the island on the south, east, and west sides. The salt marsh lands are considered undevelopable.

This configuration of salt marsh and dredge spoils effectively protected the developed portion of the island during Hurricane Katrina. Resultant damage was minimal and is described in the facilities assessment report (2006). The U.S. Army Corps of Engineers has a 20- to 30-year plan, in cooperation with the Port Authority, to continue to deposit dredge material in a manner that expands the island acreage by approximately 500 acres. This additional acreage will be undevelopable salt marsh created over a 20-year period.

The elevation of the island varies from sea level to approximately 20 feet above sea level (Figure 1-1). The existing grade of the developed portion of the island is approximately 10 to 16 feet above sea level. Within this area, the storm surge level is 1 foot to 16 feet higher: 1 foot above the 16-foot contour, and 6 feet above the 10-foot contour (Figure 1-2). A continuous berm, or dredge containment dike, lies along the south, east, and west boundaries of the developed portion of the Property, separating it from the dredge material management area and serving as a storm surge deterrent. However, at an elevation of 23 feet above sea level, the berm also impedes views when looking to the south, southeast, and west from within the developed portion of the Property. When facing north, the NGSS Ingalls facility and the Pascagoula Harbor are visible across the Mississippi Sound. The Mississippi Sound and Pascagoula waterfront are visible from the northeast side of the island (a detailed facilities assessment can be found in Appendix A).



**PROVISIONAL TOPOGRAPHIC ELEVATION CONTOUR MAP**

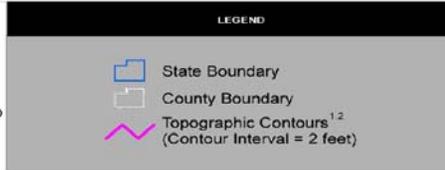
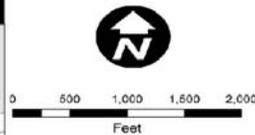


**Jackson County, MS**



Date of Map: December 15, 2005

Map Number: MS-G35



**Data Sources:**  
**Aerial Imagery:** USDA, National Agriculture Imagery Program, 2004  
**Topographic Data:** The NOAA Coastal Services Center purchases the Hancock County and Jackson County data from EarthData International for and in coordination with the State of Mississippi. The State of Mississippi purchased the Harrison County data from EarthData International, and permitted these data to be used by FEMA in the Hurricane Katrina recovery mapping effort.

Elevation contours presented on this map are preliminary and do not replace elevations determined by a certified surveyor or engineer.  
**FOR ADVISORY PURPOSES ONLY**

**TOPOGRAPHIC DATA PRESENTED IN THESE MAPS ARE PROVISIONAL AND HAVE NOT BEEN VERIFIED**

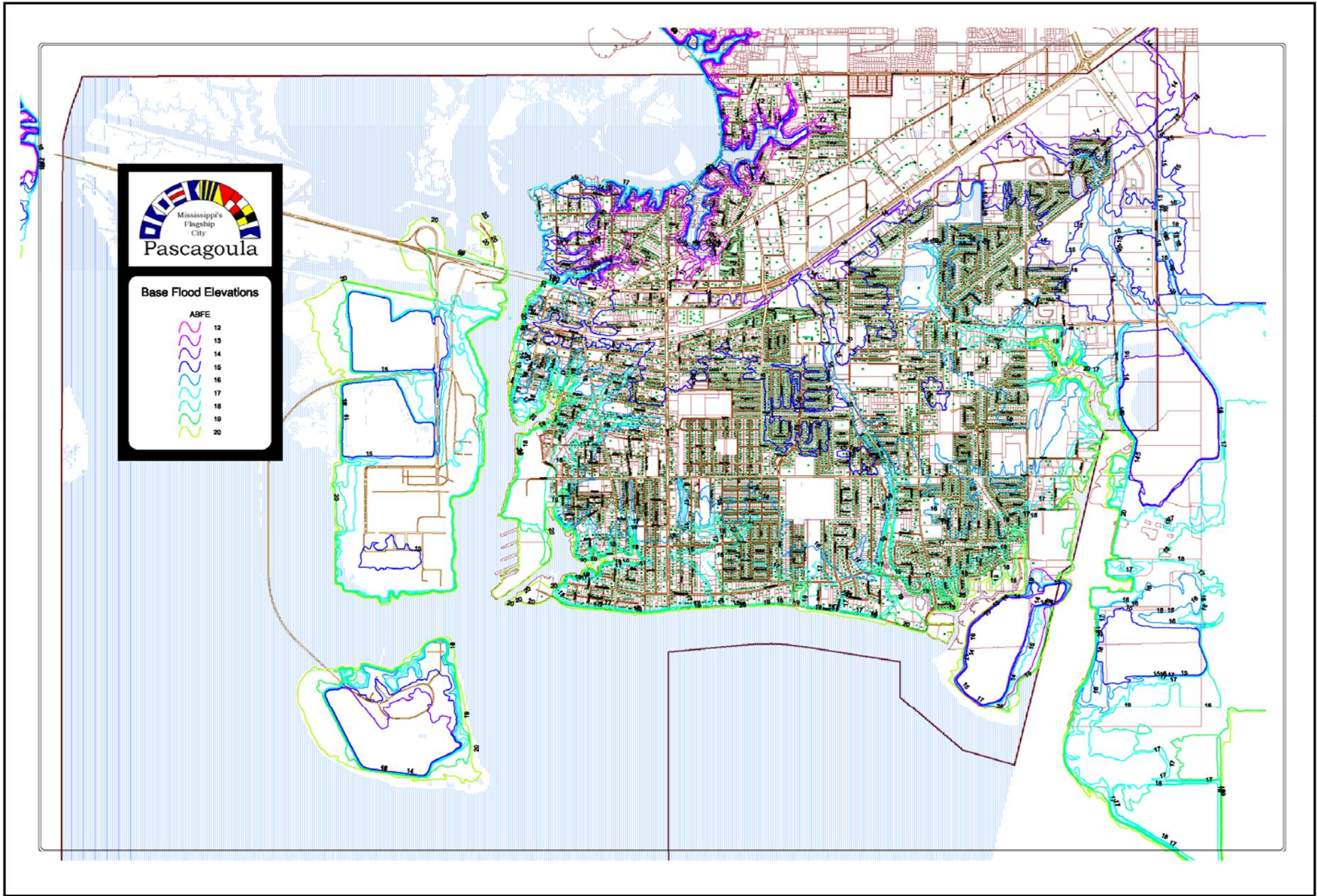
For more information on advisory flood elevations and available maps, please see [www.fema.gov/hazards/floods/recovery/distribution\\_index.shtml](http://www.fema.gov/hazards/floods/recovery/distribution_index.shtml)

**Notes:**  
<sup>1</sup> Measured in feet relative to the North American Vertical Datum of 1988.  
<sup>2</sup> These data have not been verified and may contain errors. Elevation contours may not represent the true ground surface in some locations. This is due to artifacts of LIDAR data collection, such as trees and buildings, and/or erroneous point data. The final verified data will be available in late December 2005 or January 2006 from the NOAA Coastal Services Center.  
 Please check the following link for availability of the final data: <http://www.csc.noaa.gov/cis/tcm/missions.html>



FEMA Topographic Map

FIGURE 1-1



Pascagoula Base Flood Elevation Map

FIGURE 1-2

### 1.3 History

In the early 1980s, Congress approved the strategic home porting initiative to build additional Naval bases and disperse the fleet from main concentration areas. In 1985, NS Pascagoula was created when the Navy selected Singing River Island as one of the new Gulf Coast strategic homeport sites. Base construction began in 1988, and the station became an operational homeport of Perry class guided-missile frigates in 1992 with the arrival of the first ship, USS Gallery. NS Pascagoula's support mission increased dramatically in subsequent years due to a variety of actions, including the 1993 Base Realignment and Closure Act realignment of ships and other units from closing or downsized bases; the reorganization of the Naval Surface Force, Atlantic, which homeported Ticonderoga-class Aegis guided-missile cruisers in Pascagoula; and the relocation of both the Pascagoula Coast Guard Station and a Reliance-class Coast Guard cutter to the Naval Station. Additionally, NS Pascagoula provided support not only to personnel stationed on the installation and its home-ported ships, but also to pre-commissioning crews of ships that were being constructed at NGSS Ingalls Shipbuilding. NS Pascagoula was closed under the 2005 Base Realignment and Closure Act.

On August 29, 2005, Hurricane Katrina's 20-foot storm surge and 30- to 55-foot sea waves devastated Pascagoula, much like Biloxi and Gulfport and the rest of the Mississippi Gulf Coast. Much of Pascagoula and the Gulf Coast were devastated; however, the area is in the process of being revitalized with an ambitious redevelopment program.

## **2.0 DEMOGRAPHICS**

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### **2.1 Jackson County**

Jackson County has an estimated total population of 130,577 per the 2006 American Community Survey; it is the third most populated county in the state of Mississippi. However, 2006 Census data indicate that the population had decreased approximately 1% since 2000. This decrease is likely a result of Hurricane Katrina.

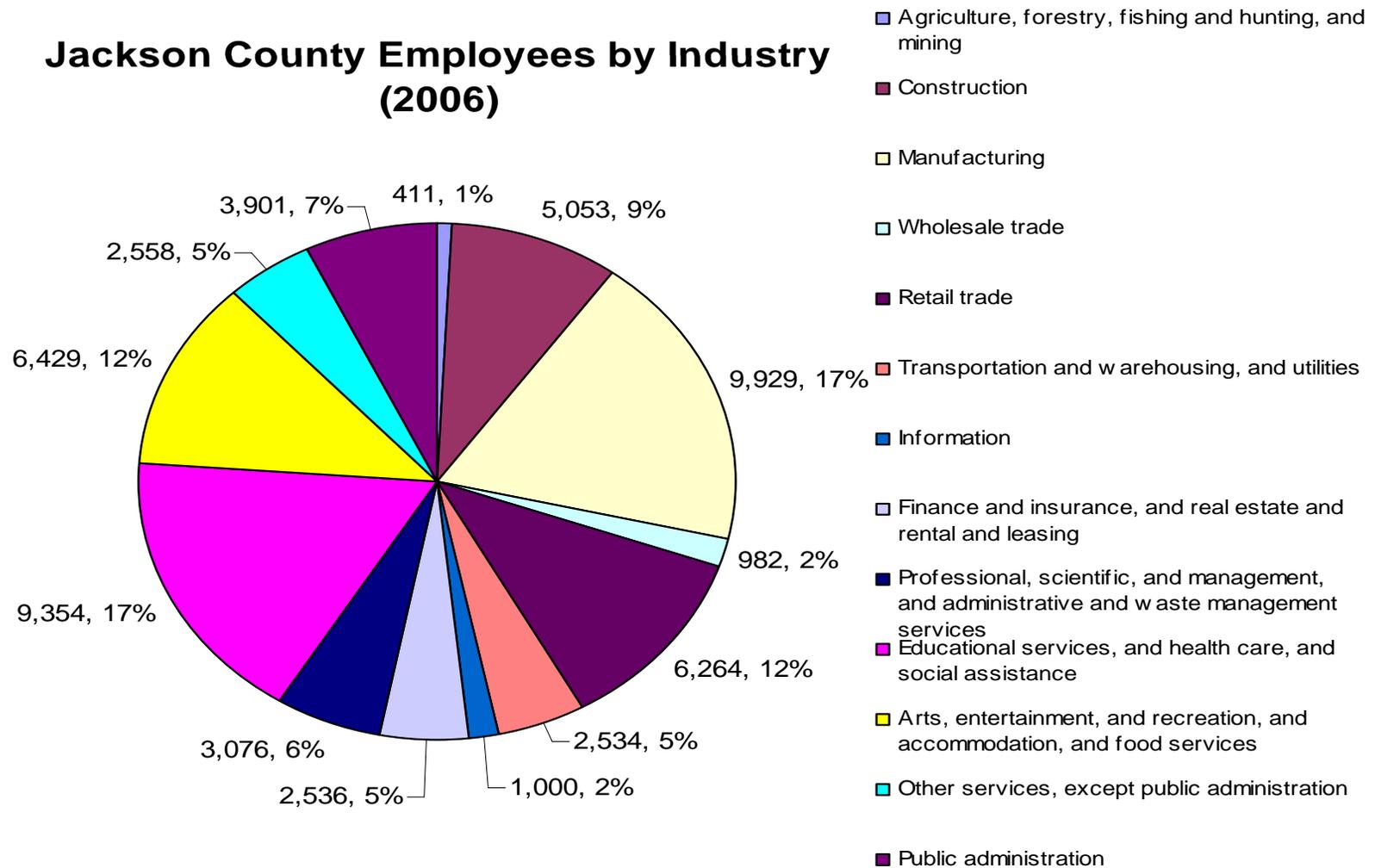
The unemployment rate from 2006 through the summer of 2007 was 11.1% for Jackson County, which is much higher than the national jobless rate of 6.4%. However, early data from the Mississippi Governor's Office of Recovery and Renewal for the period from January 2007 to August 2007 indicate the average unemployment rate is 6.2%.

According to the 2006 American Community Survey, the largest industry in Jackson County was manufacturing, with 18.4% of workers employed in the manufacturing sector. The second largest sector was education services, health care, and social assistance, which employs 17.3% of the workforce (Figure 2-1).

The high unemployment rate in the county is also reflected in the below-average median household income in Jackson County, which is an estimated \$42,816; the national average is \$48,451. The median family income is \$52,290, as compared to the national average of \$58,526.

In spite of the lackluster employment and income data, the educational data for the county show 83.5% graduated from high school and/or achieved some higher-level education, compared with the national average of 84.2%. The educational attainment for the county is significantly higher than the state, which averages 42.5%. Also, 19.6% in Jackson County attained a bachelor's degree or higher degree.

## Jackson County Employees by Industry (2006)



Source: U.S. Census 2006

## 2.2 City of Pascagoula

Pascagoula has an estimated total population of 26,200 per the 2000 U.S. Census. An annual household population growth of 0.8% over the next 5 years is expected based on *2006 Market Conditions Technical Memorandum*. The Pascagoula/Moss Point/Gautier/Ocean Springs area household population is expected to grow by 0.8% annually over the next 5 years. In this four-city market area, the 2007 population is an estimated 93,338, and the forecasted 2012 population is an estimated 97,141, representing a 4% growth for the five-year period.

An unemployment rate of 8.3% was reported in 2006; it decreased to 5.8% in 2007, which is a much better showing as compared to 6.2% for the county in 2007. Despite this positive trend, the median income for a household in the city was \$32,042, and the median income for a family was \$39,044, significantly lower than the county and national averages.

According to the 2000 U.S. Census, manufacturing remains the largest industry in Pascagoula with 24.4% of workers employed in the manufacturing sector. The second largest sector was retail, healthcare, and social assistance services, which employed 15.2% of the workforce.

The educational attainment percentage is much lower than the county and national averages. In the city of Pascagoula, 78.5% graduated from high school and/or achieved some higher-level education, which is higher than the state average of 42.5%. Also, among that population, 15.6% attained a bachelor's degree or higher degree.

### **2.3 Workforce Shortage and Housing Shortage**

The limiting factor to business growth in Pascagoula has been a two-fold problem of workforce and housing shortages. While businesses may be able to attract new hires, a prospective new hire often declines the employment offer because of the lack of housing quality, price, and selection. The Regional Housing Analysis is provided in Appendix C.

The Director of the Jackson County Economic Development Foundation pointed to workforce development as the "single biggest issue" the area faces. The solution to this problem will require a concerted and collaborative effort by local government and business leaders to facilitate new home construction with quality, features, and pricing consistent with the needs of prospective employees.

### **3.0 MARKET DATA & HIGHEST AND BEST USE ANALYSIS**

Jackson County and Pascagoula market data have not been compiled by the major national firms that track and report transactions in major metropolitan areas because this market area is limited with respect to demographics, the quantity of transactions, and the variables related to property size, location, features, etc. Consequently, the following assessment of the market, with respect to alternative land use scenarios, is based on personal observation combined with Internet and field research. The following assessment of the market concludes with the Highest and Best Use Analysis and recommendation for the Property.

#### **SINGING RIVER ISLAND**

The existing buildings on Singing River Island include warehouse-, office-, and residential-type uses. The Singing River Island Facilities Assessment is included in Appendix A of this report. Additional developable land with existing improvements remains on the island, which will be available for adaptive reuse. The zoning is *SU - Special Use District*, and it is assumed that private business entities seeking reuse or redevelopment will be subject to approval by the governing authority having jurisdiction. Land uses recommended in this report are in compliance with the permitted uses described in the zoning ordinance and Mississippi Code, Section 59-9-21. However, depending on land uses actually implemented, it is recommended that the City of Pascagoula review the zoning ordinance for appropriate amendments and that the LRA and State of Mississippi review Mississippi Code, Section 59-9-21 for appropriate amendments so as to permit those uses.

#### **3.1 Economic Incentive Programs**

Mississippi is being revitalized and is on-track for continued growth. Tax incentive programs are in effect throughout the state. In addition, 49 of Mississippi's 82 counties are eligible for the Go Zone Tax Incentive Program. The federal government is funding the Go Zone incentives to encourage new investment and development in

the areas that were damaged by Hurricanes Katrina, Wilma, and Rita in 2005. The incentives include low-income housing tax credits, increase of rehabilitation tax credit for commercial buildings, additional bonding authority, enhanced Section 179 expensing for small businesses, extension of net operating loss carry back, 50% expensing of demolition costs, remediation expensing, relief for small timber owners, expanded work opportunity tax credits, increase in new markets tax credits, increase in Hope scholarship and lifetime learning credits, allowing municipalities to restructure outstanding debt to reduce costs, authorizing gulf tax credit debt service bonds, and gulf coast recovery bonds. Additionally, an extension through December 31, 2010, has been granted for Hancock, Harrison, Jackson, Pearl River, and Stone counties, providing a bonus depreciation within the region. This incentive allows businesses and some residential owners to claim an additional first-year depreciation deduction equal to 50% of the cost of new property investments made in the region.

### **3.2 Industrial Use**

The industrial market is viable and strong in the state and especially in Pascagoula. The city of Pascagoula hosts the Port of Pascagoula, NGSS, Signal International, and Chevron Refineries as among the largest industrial employers having widespread economic impact in the region. Nearby, off Route 57, the Sunplex Industrial Park is a new flex-office-warehouse business park. The John Stennis Industrial Park offers port and rail service and ease of access to the interstate highway system. Rental lease rates for industrial properties in the region range from \$6 per squarefoot (SF) to \$9 per SF and are driven by individual business requirements. Industrial Use Lease Comps are provided in Table 3-1.

### **3.3 Office Use**

There is no strong traditional commercial office market in the region; therefore, hospitals, health care facilities, educational and government facilities, and professional services predominately comprise the office market. Market data was available for only one commercial office site in Pascagoula and was identified by Sterling Properties, a

regional real estate brokerage firm. Limited data pertaining to the property indicates the commercial office site is under contract of sale for \$111 per SF. Regionally, rental rates range from \$11.22 per SF for a Class B building to \$21 per SF for medical suites. The average rent for Class A office space is \$17 per SF. Office sale and lease comparables are provided in Table 3-2 and 3-3, respectively.

### **3.4 Commercial-Retail Use**

Large Commercial-Retail Uses are not prevalent in the city of Pascagoula; the majority of the commercial-retail businesses in the city have independent owners. Commercial-Retail Uses typically require high visibility, high traffic, and a consumer base with income to spend. Singing River Island is not accessible from a major highway and is isolated from the community. Nevertheless, two commercial-retail malls (Cedar Pointe Plaza and Singing River Mall) exist west of Pascagoula in the city of Gautier. Singing River Mall is currently offering 150,000SF of retail space for lease for \$15 per SF, at a minimal divisible floor area of 1,000SF (Table 3-4).

### **3.5 Residential Use**

Home prices in Pascagoula range from less than \$100,000 to approximately \$250,000. Current rental rates for studio and one-bedroom units range from \$700 to \$1,000 per month, rates for two-bedroom units range from \$1,500 to \$2,250 per month, and rates for three-bedroom units range from \$2,100 to \$2,500 per month. Comparable sales of multi-family housing in Pascagoula range from \$46,511 to \$48,684 per unit (Table 3-5). Regionally, the residential prices are much higher, making Pascagoula more affordable than its neighboring cities.

Name of Property	Address	City	County	Property Subtype/ Proposed Use	Gross Bldg. Area (GBA) SF	Building Size (RSF) SF	Zone	Space Available SF	Minimum Divisible SF	Max. Contiguous SF	Lease Rate (\$/SF)	Lease Rate Type	Lease Term (Months)	Lease Type	Parking	Access & Storage/ Clear Heigh	Year Built	Exterior Description	Space Type	Info Source
Amerpride Services, Inc.	1316 30th Ave.	Gulfport	Harrison	Manufacturing, Warehouse/Distribution, Other	28,500	28,500	Industrial	28,500	5,000	27,000	\$6	Annual	See Agent	NNN	50	20			Relet	Stirling Properties
Office Warehouse on Seaway Dr	10541 Outdoorway	Gulfport	Harrison	Flex Space, Warehouse/Distribution, Other. 500 sq ft office	18,000	18,000	Industrial	18,000	2,000	18,000	\$9	Annual	See Agent	NNN		20	2007	Ground Level Dock Doors	Relet	Stirling Properties
Ameriserve Building	10323 Express	Gulfport	Harrison	Multiple Spaces-7 Units. Dry Warehouse 25'-30'. Freezer/Cooler 35'; Refrigerated Dock 24'. Rail: Kansas City Southern.	131,555		I-3									26	1986 - renovated in 1999 (added 53,751 sf)	Dock high doors		Grubb & Ellis- Sawyer Commercial

Name of Building	Address	City	County	# of Suites	Gross Building Area (SF)	Total Land Size (SF)	Building Size (RSF)	Office Type/Class	Property Use Type	Cap Rate	Parking Space	Site Description	Number of Stories	Zone	Net Operating Income	Asking Price	Info Source
Great Location on Courthouse RD	500 Courthouse Rd	Gulfport	Harrison		19,921	196,020	19,921	General Class B	Net lease investment NNN	8%	68	Retail Type: Non Anchored Center/Strip/ Convenience - Also listed as Commercial Space	1	Commercial	\$181,000	\$2,200,000	Stirling Properties
Concourse Office Park	14116 Customs	Gulfport	Harrison	21	46,444						4 to 1000	100% occupied across from Gulfport-Biloxi Int'l Airport	5			\$12,000,000	Grubb & Ellis Sawyer Commercial
Palmer Place Plaza	226 Debuys	Biloxi	Harrison		Min. Divisibility of 1,100			Class A				Office Condos				\$274,900	Grubb & Ellis Sawyer Commercial

Name of Building	Address	City	County	Min. Divisible SF	Lease Rate (\$/PSF)	Office Type	Lease Type	Space Avail. SF	Max. Contiguous SF	Parking Space	Site Description	Number of Stories	Zone	Lease Rate Type	Lease Term (Months)	Space Type	Info Source
Caillavet St & Hwy 90	100 Caillavet St.	Biloxi	Harrison	4,110	\$14	Gen. Other	NNN	4,110	4,110	33	Retail Type: Free Standing buildig/Specialty/ Restaurant	2	Office & Commercial	Annual	See Agent	Relet	Stirling Properties
Caillavet St & Hwy 90	891 Jackson St.	Biloxi	Harrison	2,733	\$14	General	NNN	2,733	2,733	33	Landmarks: Beau Rivage Casino	1		Annual	See Agent	Relet	Stirling Properties
Bancorp South Building	2909 13th St.	Gulfport	Harrison	1,000	\$21	Gen. Exec. Suites, Gov. Medical	Gross Lease	5,000	2,500	150	Floor Plate Sq Ft.: 10000 No. Elevators:3, Three Tenants	6	Office	Annual	See Agent	Relet	Stirling Properties
Shops at Hill Crest	100 Lorraine Cowan	Gulfport	Harrison	1,200	\$17	General	Gross Lease	70,000	20,000	150	Retail Type: Community Center Office Type: Gen. Class A	2		Annual	See Agent	Relet	Stirling Properties

Name of Property	Address	City	County	Gross Building Area (GBA) SF	Building Size (RSF) SF	Min. Divisible SF	Lease Rate (\$/PSF)	Office Type	Lease Type	Space Avail. SF	Max. Contiguous SF	Parking Space	Site Description	Number of Stories	Zone	Year Built	Lease Rate Type	Lease Term (Months)	Space Type	Info Source
Singing River Mall	2800 US Hwy 90	Gautier	Jackson	563,751	150,000	1,000	\$15		NNN	150,000	150,000	2,500	Retail Type: 2 Anchor stores	1	Commercial	1,980	Annual	See Agent	Relet	Stirling Properties
Caillavet St. & Hwy 90	891 Jackson St.	Biloxi	Harrison		2,733	2,733	\$14	Gen. Class B	NNN	2,733	2,733	33	Retail Type: Free Standing Bldg, Speciality, Restaurant'	1	Commercial		Annual	See Agent	Relet	Stirling Properties
Caillavet St & Hwy 90	100 Caillavet St.	Biloxi	Harrison		4,110	4,110	\$14	Gen. Other	NNN	4,110	4,110	33	Retail Type: Free Standing buildig/Speciality/ Restaurant	2	Office & Commercial		Annual	See Agent	Relet	Stirling Properties
2699 Pass Road	2699 Pass Road	Biloxi	Harrison	2,064								12	4,628 +/- Sq Ft Land. Owner will consider Lease							
0 Bay Shore Dr	0 Bay Shore Dr	Biloxi	Harrison	18,000			\$78						1/2 Acres. Lot Dimensions: 160x137x215x100. Density: 30 Units/acre currently. Include electricity, water and Sewer. Potential Casino access site with 155 ft water frontage. Other potential use - small multi-family development, deep water access for marina.		Waterfront (Proposed use: Condo, Restaurant)					Grubb & Ellis - Sawyer Commercial

Name	Address	City	County	Purchase Price	Price Per Unit	Apz H/C Sq Ft	Units	Value	Cap Rate	Zone	Info Souce
42 Unit Apartment Complex		Pascagoula	Jackson	\$2,000,000	\$46,511.63		6-four-plexes. 1 ten-plex. 1 eight-plex	10 & 8 Plex = \$771,429 6 (4) Plexes = \$1,028,571	9.71%		GulfCoastLand.com
Triplex	1705-07 Smith	Pascagoula	Jackson	\$189,000		2,500	Units 1 & 2 = 400 sq ft Unit 3 = 1,700 sq ft				GulfCoastLand.com
Duplex	2450 Old Mobile Hwy.	Pascagoula	Jackson	\$72,000		1,550					GulfCoastLand.com
Duplex	1806 Convent Ave.	Pascagoula	Jackson	\$39,900		1,421					GulfCoastLand.com
37 Unit Apartment Complex		Pascagoula	Jackson	\$2,700,000			Unit 1 = 6 units Unit 2 = 8 units Unit 3 = 17 units Unit 4 = 6 units				GulfCoastLand.com
38 Unit Apartment Complex	3401 Brooks St.	Pascagoula	Jackson	\$1,850,000		35,000					GulfCoastLand.com
Triplex	Spring Ave	Ocean Springs	Jackson	\$252,000		2,938	Unit 1 & 3 = 1,029 sq ft Unit 2 = 880 sq ft			CBD V Light Industrial Dist.	GulfCoastLand.com
Duplex	2005 S. 8th	Ocean Springs	Jackson	\$189,000		1,750				Multi-Family & Duplex	GulfCoastLand.com
Duplex	4709 Gibson	Ocean Springs	Jackson	\$240,000		2,512	2 Story units				GulfCoastLand.com
Duplex	8316 Exchange	Gautier	Jackson	\$199,500		2,250					GulfCoastLand.com
Duplex	8300 Exchange	Gautier	Jackson	\$185,000		2,600	2 Story units				GulfCoastLand.com
Duplex	4009 Hilma	Moss Point	Jackson	\$120,000		2,036					GulfCoastLand.com

### 3.6 Recommended Uses

#### 3.6.1 Short-Term Use (1-5 years)

The Highest and Best Use for the reuse of Singing River Island is an Industrial/Office Park Development that focuses on retaining Northrop Grumman as the primary user and anchor tenant. Prospective tenants would include businesses and industrial facilities compatible with that of Northrop Grumman, the Port of Pascagoula, and the shipbuilding and maritime industry. The U.S. Coast Guard would remain a tenant in its present location on the north shore of Singing River Island.

#### Strengths

- Northrop Grumman is one of the most influential forces in the region and has already signed a five-year lease to occupy 23 acres and 17 existing buildings on Singing River Island.
- Northrop Grumman has the interest and means to utilize the island and has the support of the LRA and the community.
- This land use is not in direct competition with City of Pascagoula's Riverfront Master Plan.

#### Considerations

- The workforce shortage in the Pascagoula area and competition for the existing labor force from new employment opportunities in the Mobile, Alabama area are limiting factors to the area's business growth.
- There is a shortage of single-family homes in the Pascagoula area, further hindering attracting skilled new-hires to the area.

#### Action

- Northrop Grumman should continue to work with the LRA and Jackson County Economic Development Foundation in continuing the momentum of creating an Industrial/Office Park Development. This can be achieved by actively marketing to primary Northrop Grumman vendors and shipbuilding and maritime business for tenancy on Singing River Island. A NOI should be sent to local and national residential developers to address the housing shortage.

### 3.6.2 Mid-Term Use (6-15 years)

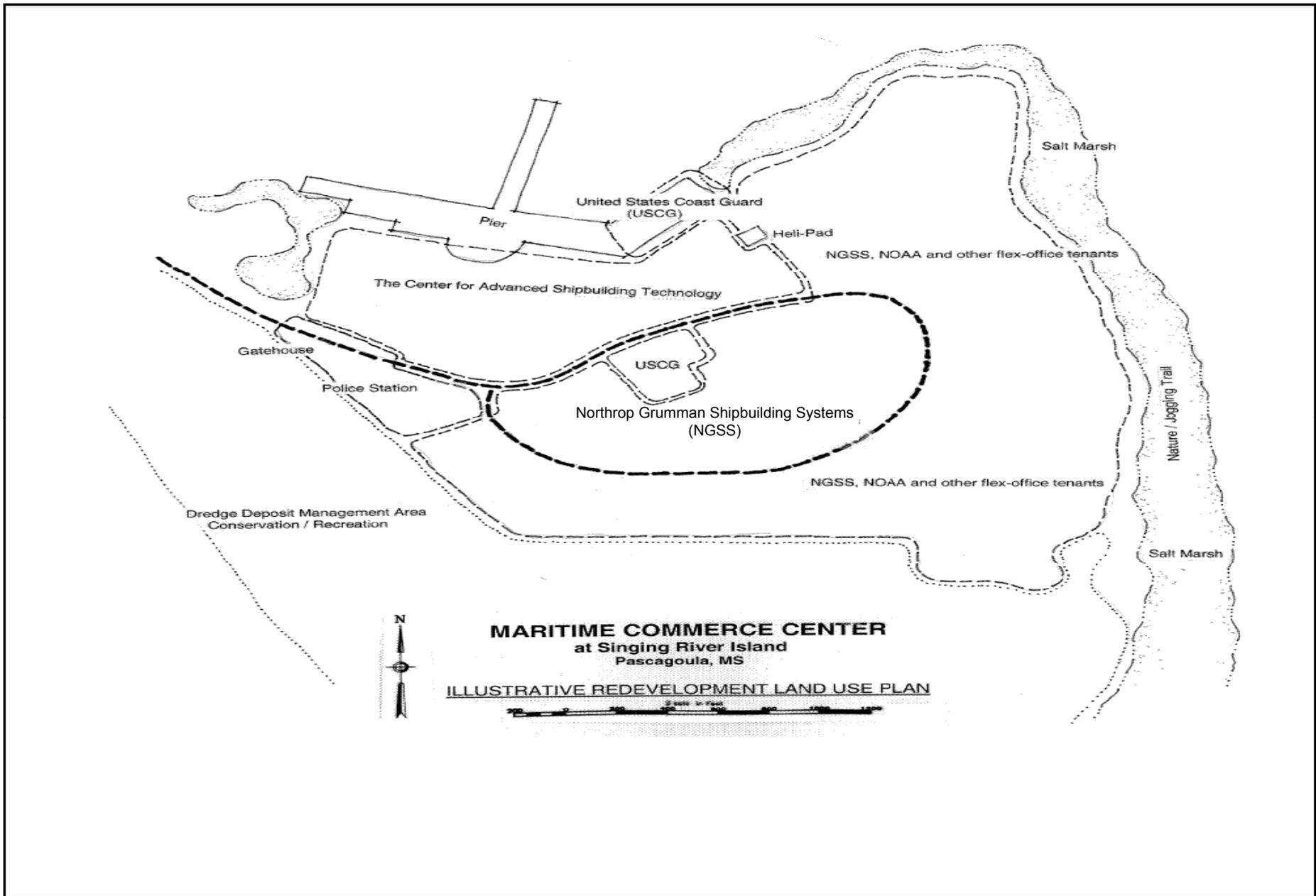
A recommended Mid-term Use for the Property is a Mixed-use Development, planned as a destination attraction that would include a Maritime Commerce Center (Figure 3-1). This Mixed-use Development would encompass Northrop Grumman as the anchor tenant with other flex-office users. The U.S. Coast Guard and possibly NOAA, who are existing tenants of the Property, would remain as tenants. The development would also include a Center for Advanced Shipbuilding Technology, a collaborative partnership between private industry and a major research university.

#### Strengths

- The recommended redevelopment plan satisfies the interest of the existing tenants, who welcome the continuation and possible extension of their lease agreements. The plan also satisfies the interest of the community, which has expressed no material concerns and who could benefit from planned public use areas.

#### Action

- A planning strategy must be initiated with the full cooperation of all the entities that would benefit and be affected by this type of development. A NOI should be sent to various commercial developers to gauge market interest and to reveal potential conflicts with current tenants.



## **4.0 CONCLUSION**

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### **RECOMMENDATION**

The recommended Highest and Best Use of the Property is an Industrial/Office Park Development, as it complies with the following criteria:

- Whether the proposed use is legally permissible
- Whether the proposed use is physically possible
- Whether the proposed use is financially feasible
- Whether the proposed use will result in maximum profitability

### **4.1 Legally Permissible**

Currently, the Mississippi Code of 1972, Section 59-9-21 details the uses for Singing River Island to include commercial fishing and port and related industrial facilities. If use other than the specified permitted uses were implemented, the Mississippi Code of 1972 would need to be amended.

Singing River Island is currently zoned *SU - Special Use District*. Permitted uses are not specified in the zoning ordinance and are subject to approval by the Port of Pascagoula, the city's Zoning Board, City Council, and Planning Board. The current uses, pre-existing from the Navy's usage of the island, include light industrial-warehouse, office, multi-unit apartment (former billeting quarters), recreation, and marine (pier). It is assumed that the governing authorities have approved the existing uses.

We believe the proposed uses contained in the recommended Industrial/Office Park Development usage are in compliance with the Mississippi Code of 1972, Section 59-9-21 and the City of Pascagoula zoning ordinance for *SU-Special Use District*. This compliance qualifies the recommended reuse plan as legally permissible.

## **4.2 Physically Possible**

Redevelopment use of the Property must be physically possible. As previously discussed, the current use is light industrial-warehouse, office, multi-unit apartment (former billeting quarters), recreation, and marine (pier). The topography is gently sloping and presents no impediment to redevelopment. The floodplain limits, or storm surge level, require new developments to have finished floor levels raised above the base flood elevation, which is estimated at approximately 1 foot to 6 feet above existing grade. This requirement can be met easily if addressed during the design and engineering process.

Vehicular access to the island is by way of a 2.8-mile causeway. The size and shape of the property, 437 acres and regularly shaped, present no impediment to maximizing density and circulation. The dredge material management area includes 100 acres and is not planned to receive additional dredge material. Additionally, approximately 150 acres of salt marsh lands surround the island and are considered undevelopable. There are no easements constraining redevelopment. There are no other environmental conditions, natural resources, or cultural resources that impede redevelopment. There are no other known features, amenities, or characteristics of the property that constrain redevelopment. Consequently, industrial development of the property is physically possible on a majority of the island, with the exception of the salt marsh.

## **4.3 Financially Feasible**

The determination of financial feasibility is a function of market demand for the product(s), the developer's ability to obtain favorable financing terms, and the developer's ability to manage the redevelopment, construction process, and marketing/sales campaign efficiently and cost effectively. Prequalification of the developer's financial capacity and securing performance warranties for public infrastructure further support the financial feasibility of reuse or new development.

Northrop Grumman and the U.S. Coast Guard, existing tenants of high quality credit ratings, have expressed interest to remain on Singing River Island. The quality of

these tenants is an assurance of the financial feasibility of the recommended reuse plan.

#### **4.4 Maximum Profitability**

The recommended reuse strategy consists of redeveloping the Property as an industrial/office park. The Redevelopment Land Use Plan illustrates, conceptually, the subdivision of the Property into parcels. While we lack the specific financial records of the end users, we assume the respective credit ratings and performance history provide assurance as to the possibility of achieving maximum profitability. The Land Lease Analysis shows the hypothetical revenue to the Port Authority for leasing only the land for an industrial/office park (Appendix B).

#### **4.5 Development Recommendations**

##### **4.5.1 Short-Term Use (1-5 years)**

The highest and best Short-term Use is an industrial/office park that focuses on retaining Northrop Grumman as the primary user and anchor tenant. As one of the most influential forces in the region and with the support of the LRA, Northrop Grumman will be able to fully utilize the island to its maximum potential. It is envisioned that Northrop Grumman's primary business vendors and other prospective industrial tenants will lease industrial/office space to further enhance the shipbuilding and maritime industry in the area.

It is recommended that Northrop Grumman continue to work with the LRA for the issuance of a NOI and actively market the Industrial/Office Park Development. Northrop Grumman and local entities must address the shortage of quality family homes and the workforce in the Pascagoula; however, the LRA and local residential developers can overcome these issues through coordinated efforts.

#### **4.5.2 Midterm Use (6-15 years)**

The recommendation for secondary Mid-term Use is a planned destination attraction and Mixed-use Development with a Maritime Commerce Center (Figure 4-1). Northrop Grumman is the anchor tenant with other flex-office users, research facilities, the U.S. Coast Guard, and possibly NOAA. A Center for Advanced Maritime Technology is recommended as part of the Mixed-use Development. The plan satisfies the interest of the existing tenants, who welcome the continuation and possible extension of their lease agreements.

A planning strategy must be initiated through collaborative partnership between private industry and state and local universities and colleges to jointly develop the Center for Advanced Maritime Technology. A NOI should be sent to various commercial developers to gauge market interest and to identify potential conflicts with current tenants. A NOI will assist with ensuring compatibility with the City of Pascagoula's Riverfront Master Plan since retail and recreational uses could be included in the Mixed-use Development. A measured approach will create synergy between the Mixed-use Development and the City of Pascagoula's Riverfront Master Plan.

#### **4.6 Acquisition Strategy**

For the purpose of this report, it is assumed the State of Mississippi will retain ownership of Singing River Island and continue (or enter into additional) land lease agreements for the various uses, through its agreement with the Port of Pascagoula. In addition, it is assumed that any recommended uses that require legislative amendments will be accomplished in cooperation with the Mississippi State Legislature.

## 5.0 REFERENCES

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# APPENDICES

# **APPENDIX A**

## **Singing River Island Facilities Assessment**

Appendix A  
Singing River Island Facilities Assessment

Singing River Island is a large dredge spoil located south of Pascagoula, Mississippi. Approximately 70 buildings and structures associated with Naval Station (NS) Pascagoula are located on Singing River Island. The report *Evaluation of Damages at NS Pascagoula*, prepared by Compton Engineering, Inc., dated October 30, 2006, describes the post-Hurricane Katrina conditions of 34 of these facilities, comprising approximately 300,000 square feet (SF) of building space. The evaluation includes building descriptions, construction types, needed hurricane and maintenance repairs, intended uses, storm mitigation features, and current tenants. Table H-1 and Table H-2 summarize the evaluations of each of the buildings and lists potential uses for each facility. Existing tenants, including police, the United States (U.S.) Coast Guard, and National Oceanic and Atmospheric Administration (NOAA), occupy 31,220 SF of building space. Northrop Grumman has requested 191,845 SF of existing building space.

Thirty-seven support structures, comprising approximately 137,000 SF of building space, parking, recreation facilities and other designated areas, a water tower, a pier, and a power distribution center were not included in the evaluation report. These include three temporary trailers used by NOAA and two buildings occupied by the U.S. Coast Guard. The remaining facilities are currently vacant. Each of these facilities is listed in Table H-1 with corresponding square footage, current tenants, and potential future uses, as applicable.

Appendix A  
Singing River Island Facilities Assessment

Table A-1: NS Pascagoula Building Assessment Report Summary

ID	Building Name	Building Use	Potential Use	Tenant	Exterior Construction	Interior Construction	Square Footage	Number of Floors	Complete Hurricane Repairs	Incomplete Hurricane Repairs	Maintenance Needs	Storm Mitigation Features
5	Police Station / Security	Main security office building. Houses base credit union. Private offices, classrooms, evidence rooms, restrooms, storage rooms.	Bank, Office building, Training facility	Police, Security, Keesler Federal Credit Union	Steel frame, brick exterior with decorative CMU veneers; standing seam metal roof	Painted sheetrock; carpet and vinyl tile floors; acoustic tile suspended ceilings	5,397.0	1	Roof leaks, displaced vent covers	None	Replace 2 bathroom sinks and fixtures	
10	Headquarters	Administrative building with private offices, conference rooms, restrooms, and open bay areas.	Office building; Training facility; Meeting facility; Storage building; Light manufacture/assembly	Requested by Northrop Grumman	Steel frame; brick exterior with decorative CMU veneers; standing seam metal roof	Painted sheetrock; carpet and vinyl tile floors; acoustic tile suspended ceilings	19,612.0	2	Minor interior rainwater damages	Replace 9600 sq.ft of standing seam roofing; replace 125 linear feet of ridge flashing/trim	Replace 20 ceiling tiles; replace 6 sq.ft of sheetrock; replace 10 vinyl floor tiles	
11	Fleet Operations	Administrative building with private offices, conference rooms, restrooms, and open bay areas.	Garage; Office building; Training facility; Light manufacture/assembly	Requested by Northrop Grumman	Steel frame, brick exterior with decorative CMU veneers; standing seam metal roof	Painted sheetrock; carpet and vinyl tile floors; acoustic tile suspended ceilings	15,471.0	2	Minor flood damage	Replace 64 sq.yds of carpet; replace 64 sq.ft of sheetrock; replace 168 sq.ft of suspended ceiling; replace 16 fascia panels; reposition 71 fascia panels; replace 3 gutter downspouts	Replace 22 sq.yds of carpet; replace 100 ceiling tiles; protect A/C from drips	
21	Navy Exchange- NEX	Commercial retail building with private office, cold storage room, restrooms, and open sales areas	Retail	Requested by Northrop Grumman	Steel frame; decorative CMU veneers and corrugated metal siding; standing seam metal roof	Walls have fibrous epoxy finish; carpet and vinyl tile floors; acoustic tile suspended ceilings	4,355.0	1	None described	Empty concrete slab behind building could be used for another small utility building	Replace 100 ceiling tiles; protect A/C from drips; replace bathroom hardware and fixtures	
23	Fast Food Restaurant	Commercial restaurant with a private office, outside cold storage room, restrooms, kitchen area, and sales area	Restaurant; retail	Inactive / Unoccupied	CMU building with standing seam metal roof	Painted sheetrock walls; vinyl tile floors; acoustic tile suspended ceilings	unknown	1	None	Replace a few courses of CMU block from wall around cold storage building; replace A/C condenser coil on roof	Replace 20 ceiling tiles; protect A/C from drips	
30	Medical-Dental Clinic	Medical facility with private offices, examination rooms, restrooms, treatment rooms, x-ray rooms, small surgery room, and laboratory areas	Medical Facility	Requested by Northrop Grumman	Steel frame; brick and decorative CMU veneers; standing seam metal roof	Mostly painted sheetrock walls; carpet and vinyl tile floors; acoustic tile suspended ceilings	16,514.3	1	Some roof damages	Replace 50 linear feet of edge flashing; replace 50 linear feet of ridge flashing;	Repair leaking valve in Room 109; Repair 200 sq ft of sheetrock; replace 750 linear ft of gutter and downspouts; rewire and replace exterior security light	
34	Learning Resource Center- LRC	Training facility with private offices, classrooms, conference rooms, restrooms, computer rooms, and media areas	Training facility; Meeting facility; School; Library	Requested by Northrop Grumman	Steel frame; brick and decorative CMU veneers; standing seam metal roof	Mostly painted sheetrock walls; carpet and vinyl tile floors; acoustic tile suspended ceilings	7,742.6	1	None	Replace 2 downspouts; replace 100 linear ft of soffit trim; replace 500 sq.ft of soffit panels	None	
35	MWR Snack Shop- Skeeters	Commercial fast food restaurant with private office, restrooms, kitchen and sales areas, and small eating area	Restaurant; retail	Inactive / Unoccupied	Steel frame, standing seam metal roof, partially covered with plywood veneer	Painted sheetrock walls; vinyl tile floors; acoustic tile suspended ceilings	1,566.0	1	None	None	Replace 400 ceiling tiles	
40	Fleet Maintenance Shops- SERMC	Rambling building with offices, shops, bathrooms, and very large maintenance areas to service naval vessels	Light manufacture/assembly; Training Facility; Maintenance facility; Warehouse	Requested by Northrop Grumman	Steel frame; decorative brick and corrugated metal siding; standing seam metal roof	Mostly painted sheetrock; carpet, vinyl tile, and concrete floors; acoustic tile suspended ceilings	42,282.0	1 (mainly)	Some roof damages	Replace 4 roof ventilators; replace 250 linear ft of edge flashing; replace 2500 sq ft of roof panels; install 100 linear feet of gutters; replace 50 ceiling tiles	Patch 100 sq.ft of sheetrock damages; gutters, building walls, and screw heads are showing signs of corrosion	
41	Fire Station	Fire station with private offices, operations rooms, restrooms, sleeping rooms, shops, small food preparation room, and equipment storage areas	Fire Station	Inactive / Unoccupied	Steel frame; brick and decorative CMU veneers; standing seam metal roof	Mostly painted sheetrock walls; carpet, concrete, and vinyl tile floors; acoustic tile suspended ceilings	4,220.8	1	Some roof damages	Repair 80 sq ft of sheetrock; replace 200 sq.ft of roof panels; replace 20 linear ft of edge flashing; replace 60 linear ft of ridge flashing; replace 1 double pane window; replace 200 ceiling tiles; replace 1 vent cover	Exterior shows corrosion on metal trim; may wish to replace	
45	Enlisted Quarters- CBO	Living quarters with each unit having private bedrooms and shared living, kitchen, and bathroom facilities for two personnel; motel-like facility with room access via interior corridors	Workforce housing; Hotel; Dormitory	Inactive / Unoccupied	Steel frame; brick and decorative CMU veneers; standing seam metal roof	Painted sheetrock walls; carpet and vinyl tile floors; painted sheetrock ceilings	36,336.0	2	None	Replace 1 exterior ceiling light	Sand and repaint 300 sq.ft of exterior walls where paint is rippled; recaulk 100 exterior windows	
50	Supply Department	Supply headquarters with offices, shops, bathrooms, and large open areas to supply naval vessels	Warehouse; Training facility; Light manufacture/assembly	Requested by Northrop Grumman	Steel frame; decorative CMU blocks and corrugated metal siding; corrugated metal roof	Painted sheetrock or corrugated metal walls; carpet, vinyl tile, and concrete floors; suspended ceilings with acoustical tiles	13,535.1	1	Some roof damages	Replace 3 roof ventilators; repair/replace 2 vent stacks; replace 50 linear ft of edge flashing; replace 500 sq.ft of roof panels; replace 1500 sq.ft of roof insulation; install 30 new downspouts; replace 1000 sq.ft of ceiling tiles; replace 12 fluorescent lights	Inspect and rewrap HVAC joints; clean condensate lines; small areas of gutter, metal siding, exterior screwheads, and wall panels showing signs of corrosion- new tenants may wish to replace metal siding	
59	Liberty Center	Recreational facility with private offices, billiards room and lounge area, media room, computer and internet access room, small kitchen, restrooms, and walk-in cooler	Recreation center; Restaurant; Entertainment; Meeting Center	Inactive / Unoccupied	Steel frame; brick and decorative CMU veneers; combined roof design that is part gabled with a parapet wall; galbed portion and parapet have standing seam roof coverings; flat roof has membrane fabric cover	Mostly painted sheetrock walls; carpet and vinyl tile floors; acoustic tile suspended ceilings	4,359.1	1	None described	Repair flashing around roof vent; replace 4 ceiling tiles	Replace 20 sq.yds of carpet; repair and repaint 100 sq.ft of sheetrock walls.	
60	Public Works Administration Office	Administrative building with private offices, conference rooms, restrooms, open bay areas	Office building; Training facility; Meeting facility; Storage building; Light manufacture/assembly	Requested by Northrop Grumman	Steel frame; decorative CMU veneers and corrugated metal siding; standing seam metal roof	Mostly painted sheetrock walls; carpet and vinyl tile floors; acoustic tile suspended ceilings	7,415.0	1	Some roof damages	Replace 1 roof ventilator; repair 1 vent stack; reseal 100 linear ft of roof flashing; refresh and reseal 20 linear ft of joint; replace and refinish 10 sq.ft of sheetrock; replace 30 ft of gutter	Replace 168 sq.ft of suspended ceiling; replace 100 ceiling tiles; protect A/C from drips; repair and refinish 150 sq.ft of sheetrock; replace front entrance ceiling light; replace 1 window; replace weather stripping on 6 windows; consider replacing entire gutter system	
61	BEQ #1	Living quarters with each unit having 1 or 2 bedrooms, kitchen, bathroom, and living areas; motel-like building with room access via exterior walkways	Workforce housing; Hotel; Dormitory	Inactive / Unoccupied	Steel frame; decorative CMU veneers; standing seam metal roof	Painted sheetrock walls; carpet and vinyl tile surfaces; painted sheetrock ceilings	19,665.0	2	Flood damages	None	None	
63	Central Billeting Office	Billeting headquarters with private offices, restrooms, and storage rooms	Office building; Training facility; Meeting facility; Storage facility	Inactive / Unoccupied	CMU building with brick and decorative CMU veneers; standing seam metal roof	Mostly painted CMU and sheetrock walls; carpet and vinyl tile floors; acoustic tile suspended ceilings	3,001.2	1	Minor flood damage	None	Replace 2 bathroom sinks and fixtures	
65	BEQ #2	Living quarters with each unit having 1 or 2 bedrooms, kitchen, bathroom, and living areas; motel-like building with room access via exterior walkways	Workforce housing; Hotel; Dormitory	Inactive / Unoccupied	Steel frame; brick and decorative CMU veneers; standing seam metal roof	Painted sheetrock walls; carpet and vinyl tile surfaces; painted sheetrock ceilings	17,780.0	2	Many downstairs rooms were completely renovated; carpet was replaced in upstairs units	Repair or replace 152 sq.ft of ceiling panels	None	
70	Public Works Maintenance Shop	Maintenance building with offices, shops, bathrooms, and large maintenance area	Garage; Office building; Training facility; Light manufacture/assembly	Requested by Northrop Grumman	Steel frame; decorative brick and corrugated metal siding; standing seam metal roof	Painted sheetrock walls; carpet, vinyl tile, and concrete floors	18,151.5	1 (mainly)	Some roof and gutter damages	Replace 300 sq.ft of roof paneling and insulation; replace 500 sq.ft of suspended ceiling; replace 1 powered roof ventilator; replace 140 ft of edge flashing and 50 ft of ridge flashing; replace 300 ft of gutter and 5 downspouts	None	
73	Brisco Hall	Training facility with large classroom, restrooms, and storage areas	Training facility; Meeting facility; School; Library	Inactive / Unoccupied	CMU block building; brick and decorative CMU veneers; standing seam metal roof; decorative metal trim fascias and soffits	Mostly painted CMU walls; carpet and vinyl tile floors; acoustic tile suspended ceilings	1,594.8	1	None described	Replace 125 sq.ft of damaged roof panels; replace 25 linear ft of edge trim; replace 20 linear ft of ridge flashing; replace 16 sq ft of louver screen; replace 20 ceiling tiles	Replace electrical junction box; wrap HVAC ducts and piping	
75	Gymnasium	Gymnasium with private offices, storage rooms, restrooms, laundry rooms, sports courts, exercise rooms, and equipment storage areas	Recreation center; Gymnasium	Requested by Northrop Grumman	Steel frame; brick and decorative CMU veneers; mostly flat roof	Mostly painted CMU walls; ceramic tile walls in locker rooms; wood, carpet, concrete, and tile floors; acoustic tile ceiling with painted sheetrock and exposed framework finishes	1,680.7	1	None described	Replace 30 linear ft of edge flashing; replace 2 downspouts; replace "G" on sign	Replace and/or repair 5 shower fixtures	
77	Pool Pump House	Houses pumps and filters for swimming pool	Pumphouse; Storage room	Inactive / Unoccupied	CMU building; wood frame; asphalt shingled roof	CMU walls; concrete floor	unknown	1	None described	Replace 200 sq.ft of roofing felt and shingles; replace 100 sq.ft of vinyl soffit; replace 1 security light	N/A	

Appendix A  
Singing River Island Facilities Assessment

Table A-2: NS Pascagoula Building Assessment Report Summary (continued)

ID	Building Name	Building Use	Potential Use	Tenant	Exterior Construction	Interior Construction	Square Footage	Number of Floors	Complete Hurricane Repairs	Incomplete Hurricane Repairs	Maintenance Needs	Storm Mitigation Features
79	USO	Recreational and support facility with private offices, lounge area, small kitchen, restrooms	Recreation center; Restaurant; Entertainment; Meeting Center	Inactive / Unoccupied	Steel frame; brick and decorative CMU veneers; combined gabled and hip roof design with standing seam metal covering	Painted sheetrock walls (mostly stripped after hurricane); tile floors remain (carpet stripped after hurricane)	5,200.0	1	Most sheetrock walls removed; acoustic ceiling tiles and lighting removed; all carpet stripped; most fixtures and equipment removed	Replace 1300 sq ft of vinyl soffit on exterior; replace 16 soffit lighting; install 5000 sq.ft of sheetrock walls; replace 4000 sq.ft of sheetrock ceiling; replace 5000 sq.ft of suspended ceiling; replace 12 interior doors; replace 1100 linear ft of base molding; reglaze one door pane; replace 4 sinks; replace 2 urinals; replace 30 sq.yds of carpet	None	
80	Vehicle Maintenance & Dispatch	Vehicle maintenance and dispatch building with offices, shops, bathrooms, and large maintenance area for vehicles	Garage; Office building; Training facility; Light manufacture/assembly; Warehouse	Requested by Northrop Grumman	Steel frame; decorative CMU and corrugated metal siding; corrugated metal roof	Painted CMU walls; ceramic tile and concrete floors	5,409.1	1	None described	Replace roof turbine and reseal flashing; replace rain cover over heater exhaust vent; reconnect heater exhaust piping; install 90 linear ft of new gutters	Replace 3 sinks with faucets	
85	Weapons Storage Administration	Administration facility with offices, restrooms, shops, and equipment storage areas	Administration facility; Office building; Retail; Meeting Center; Training facility; Storage	Requested by Northrop Grumman	Steel frame; corrugated metal siding with decorative CMU veneers; corrugated metal roof	Unfinished walls with exposed insulation; concrete floor	5,223.5	1	Temporary repairs	Replace 35 linear ft of edge flashing; replace 12 linear ft of corner trim; replace 150 sq.ft of corrugated roofing; replace 2 steel roll-up doors; replace exhaust vent cover; replace 300 sq.ft of acoustic ceiling tiles	N/A	
87	Morale Welfare Recreation (MWR) Rental	Recreational rental facility with dispatch office, restrooms, and equipment storage areas	Meeting center; Recreation center; training center; Storage	Requested by Northrop Grumman	Steel frame; corrugated metal siding with decorative CMU veneers; corrugated metal roof	Unfinished walls with exposed insulation; concrete floor	3,724.0	1	Temporary repairs	Replace 1 gutter downspout; replace 50 linear ft of edge flashing; replace 20 linear ft of ridge flashing; replace 240 sq.ft of corrugated roofing; replace 1 steel roll-up door	Replace 1 sink with fixtures	
88	SUPSHIP Warehouse	Warehouse building with offices, shops, bathrooms, and a large storage area	Warehouse; Training facility; Light manufacture/assembly	Requested by Northrop Grumman	Steel frame; decorative CMU and corrugated metal siding; corrugated metal roof	Painted sheetrock walls; carpet, vinyl tile, and concrete floors	11,250.0	1 (mainly)	None described	Replace 50 linear ft of edge flashing; replace 100 linear ft of ridge flashing; replace 160 sq.ft of soffit; replace or repair lighting arrestor system; replace 1 window and frame	None	
91	Small Arms Magazine	Small arms storage building	Warehouse; Light manufacture/assembly; activities requiring complete security	Requested by Northrop Grumman	Reinforced concrete building with earth berm covering	Unknown	660.0	1	None	Sand and repaint 3 magazine doors; replace hardware on 3 doors	None	
93	High Explosives Magazine #1	Munitions storage building	Warehouse; Light manufacture/assembly; activities requiring complete security	Requested by Northrop Grumman	Reinforced concrete building with earth berm covering	Unknown	9,400.0	1	None	Sand and repaint 3 magazine doors; replace 3 door operating systems	None	
97	High Explosives Magazine #2	Munitions storage building	Warehouse; Light manufacture/assembly; activities requiring complete security	Requested by Northrop Grumman	Reinforced concrete building with earth berm covering	Unknown	9,400.0	1	None	Sand and repaint 3 magazine doors; replace 3 door operating systems	None	
100	Hazardous Waste Materials Administration	Administration and storage facility with offices, restrooms, shops, and storage areas	Meeting center; Training facility; Administration; Dispatch center; Storage	Inactive / Unoccupied	CMU block building; corrugated metal roofing	Mostly painted CMU walls; concrete floors	2,162.5	1	Some roof damages	Replace 100 linear ft of edge trim; replace 800 sq.ft of corrugated roofing; replace 130 ft of damaged gutters; repair lighting arrestor system; replace 4 power exhaust vents; repair wall vent louvers; replace 2 security lights; repair roof flashing around 10 roof vents	Replace steel roll-up door; install a 6in wide, 130ft long floor drain 6in deep across front of building with heavy-duty grate covering	
109	Pier Electrical Vaults #1 and #2	Pier and associated electrical power system: Vault #1 served west side of pier; vault #2 served east side of pier; each vault is wired to service either side of the pier	Pier	Inactive / Unoccupied	N/A	N/A	680 ft long; 80 ft wide; 20 ft high pier	1	50% electrical capacity of each vault has been restored	Complete renovation of 50% of electrical vaults	None	
110	Port Operations	Port operations headquarters with private offices, operations rooms, restrooms, sleeping rooms, shops, small food preparation room, and equipment storage areas	Office building; Administration; Retail; Restaurant; Storage; Training center; Meeting Center; Multi-purpose uses	Inactive / Unoccupied	Steel frame; brick and decorative CMU veneers; standing seam metal roof	Mostly painted sheetrock walls; carpet, concrete, and vinyl tile floors; acoustic tile suspended ceilings	4,391.9	2	Some roof damages	Replace broken flagpole; replace 120 sq.ft of roof panels; replace exterior security light; replace 40 linear ft of ridge flashing	Replace 10 ceiling tiles	
115	Pier Power Distribution	Power distribution building; delivered 13,800 volt power to pier complex	Power distribution	Inactive / Unoccupied	No description: CMU building with flat roof, based on building photos	No description: unfinished walls and concrete floors, based on building photos	879.0	1	Instrumentation and circuit breakers replaced; connections cleaned	Replace steel roll-up door; replace 20 ft of roof edge trim; reattach gutter and downspout to building	Sand and repaint door and frame; replace all door hardware	
131	Quay Wall Power Distribution	Power distribution building; distributes incoming 13,800 volt power to vessels operating along the quay wall	Power distribution	Inactive / Unoccupied	No description: CMU building with flat roof, based on building photos	No description: unfinished walls and concrete floors, based on building photos	958.7	1	Instrumentation and circuit breakers replaced; connections cleaned	Replace steel roll-up door; replace 25 ft of roof edge trim; replace 25 ft of gutter and 1 downspout	Replace building number	

Appendix A  
Singing River Island Facilities Assessment

**Table A-3: NS Pascagoula Additional Buildings and Facilities**

ID	Building Name	Square Footage	Tenant	Potential Uses
1	Gate House	50.0	Vacant	same
9	Kennel	437.4	Vacant	
12	Stand-by Generator Headquarters	-	Vacant	
13	Water Tower	50,000gal	Vacant	Water Tower
15	Well/Pump House #1	147.2	Vacant	
17	Fleet and Family Service Center	15000.0	Vacant	
20	Picnic Pavilion #1	1055.0	Vacant	Recreation
37	Playing Field #1	1566.0	Vacant	Recreation
39	Picnic Pavilion #3	1566.0	Vacant	Recreation
42	Oil/Water Separator	-	Vacant	Oil/Water Separator
47a	New NOAA Trailer (Lab)	5668.0	NOAA	same
47b	New NOAA Trailer (Office Building)	3087.0	NOAA	same
47b	New NOAA Trailer (Conference Center)	2092.5	NOAA	same
54	Compressed Gas Cylinder Storage	-	Vacant	Storage
57	Picnic Pavilion #4	1055.0	Vacant	Recreation
67	Outdoor Tennis Court		Vacant	Recreation
69	Outdoor Basketball Court		Vacant	Recreation
71	Fishing Pier / Nature Walk	1000.0	Vacant	Recreation
81	Playing Field #2	-	Vacant	Recreation
83	Well/Pump House #2	211.4	Vacant	
84	Oil/Water Separator (Public Works)	-	Vacant	
90	Filling Station	32.0	Vacant	
95	Safe Haven, Parking	3600.0	Vacant	Any
101	Helo Pad	1112.0	Vacant	Helo Pad
102	Hazardous Waste Office and Restroom	82.5	Vacant	Office
103	Boat Launch	-	Vacant	Recreation
104	New Coast Guard Maintenance Facility	4500.0	Coast Guard	same
105	Outdoor Basketball Court	-	Vacant	Recreation
105	12ft Picnic Area	-	Vacant	Recreation
105	(3) 144 sq.ft Picnic Pavilions		Vacant	Recreation
105	Volleyball Court		Vacant	Recreation
107	Pier Guard House	29.0	Vacant	Guard House
108	Coast Guard Station	10476.0	Coast Guard	same
111	Oil/Waste Separator	1372.0	Vacant	Oil/Water Separator

Appendix A  
Singing River Island Facilities Assessment

**Table A-3: NS Pascagoula Additional Buildings and Facilities (cont.)**

ID	Building Name	Square Footage	Tenant	Potential Uses
121	Power Distribution Facility	-	Vacant	Power Distribution
125	Coast Guard Building	146.0	Vacant	Any
N/A	Housing Office	1372.0	Vacant	Office

# **APPENDIX B**

## **Land Lease Analysis**

Appendix B  
Land Lease Analysis

**LAND LEASE ANALYSIS**

Since there is no authority to sell in fee simple land on Singing River Island, use of the land and any improvements thereon is and will continue to be granted by lease agreement between the State of Mississippi through the Port of Pascagoula and third party tenants. In light of this lease agreement, we performed a Land Lease Payment Analysis based on a hypothetical build-out and certain land development and building assumptions (Table E-1). The Land Lease Payment Analysis pertains only to the land and excludes any lease value of existing buildings or other improvements.

Assuming a Floor Area Ratio (FAR) of 0.3 for each use type, a total projected yield of 1.3 million square feet is possible to be built. The total estimated capital cost of improvements is \$137 million. Assuming a uniform land sale value of \$75,000 per acre, the total estimated land value is \$14 million, and the estimated annual lease payment is \$882,772.

Appendix B  
Land Lease Analysis

**Table B-1: Assumptions and Projected Yield**

Land Use Description	Acreage	FAR	Yield SF	Parking Sp/Unit	Parking No. Sp	Parking Area	
						SF	Ac
Northrop Grumman	23	0.3	300,564	1/600SF	501	175,329	4.03
SF requested within loop road	141,912	available SF	158,652		264	92,547	2.12
SF requested outside loop road	49,934						
Center for Advanced Maritime Technology	17	0.3	222,156	1/1000SF	222	77,755	1.79
NGSS, NOAA, other	70	0.3	914,760	1/600SF	1,525	533,610	12.25
United States Coast Guard	5	0.3	65,340	1/600SF	109	38,115	0.88
<b>Total projected yield (SF)</b>			<b>1,360,908</b>		<b>2,357</b>		<b>18.94</b>
Police & Gatehouse	5						
Road R/W	15%	27					
SWM	1.50%	3					
Open Space	20%	37					
<b>TOTAL DEVELOPABLE AREA</b>	<b>187</b>						
<b>Dredge Material Management Area</b>	<b>100</b>						
Conservation/Recreation							

Appendix B  
Land Lease Analysis

**Table B-2: Cost Assumptions**

Building Cost (\$/SF)	Total Estimated Building Cost (\$)	Surface Parking (\$/SF)	Total Estimated Surface Parking (\$)	Site Work Allowance	Total Estimated Cost (\$)
65	10,312,380	2.50	438,323	1,252,350	12,003,053
225	49,985,100	2.50	194,387	1,851,300	52,030,787
65	59,459,400	2.50	1,334,025	7,623,000	68,416,425
65	4,247,100	2.50	95,288	544,500	4,791,600
					137,241,864

**Table B-3: Land Sales and Financing Assumptions**

	Acreage with Open Space	Sale Price (\$/Acre)	Land Sale (\$)	Cap Rate (%)	Loan Rate (%)
Northrop Grumman	23	75,000	1,725,000	6.5	7.0
Center for Advanced Shipbuilding Technology	17	75,000	1,275,000	6.5	7.0
NGSS, NOAA, other	70	75,000	5,250,000	8.0	7.0
United States Coast Guard	5	75,000	375,000	6.5	7.0
Police and Gatehouse	5	75,000	375,000	6.5	7.0
Road R/W, SWM, Open Space	67	75,000	5,025,000	6.5	7.0
<b>TOTAL</b>	<b>187</b>		<b>14,025,000</b>		

Appendix B  
Land Lease Analysis

**Table B-4: Land Lease Payment Analysis**  
The lease payment pertains only to the land and excludes any lease value of existing buildings or other improvements.

Land Use Type	Acreage	Cap Rate (%)	Discount Rate (%)	Lease Term (years)	Land Value (\$)	Land Value Adjustment (%)	Lease Value (\$)	Residual (\$)	Total (\$)	Annual Lease Payment (\$)
Northrop Grumman	23	6.5	7.0	50	1,725,000	90	1,485,888	239,112	1,725,000	107,667
Center for Advanced Shipbuilding Tech	17	6.5	7.0	50	1,275,000	90	1,098,265	176,735	1,275,000	79,580
NGSS, NOAA, others	70	8.0	7.0	50	5,250,000	90	4,624,257	625,743	5,250,000	335,073
United States Coast Guard	5	6.5	7.0	50	375,000	90	323,019	51,981	375,000	23,406
Police and Gatehouse	5	6.5	7.0	50	375,000	90	323,019	51,981	375,000	23,406
Road R/W, SWM, Open Space	67	6.5	7.0	50	5,025,000	90	4,328,457	696,543	5,025,000	313,639
<b>Total</b>	<b>187</b>				<b>14,025,000</b>		<b>12,182,906</b>	<b>1,842,094</b>	<b>14,025,000</b>	<b>882,772</b>

*Cap Rate.* Information obtained from the market study based on sales data from the land use types. This information was used to determine the implied net operating income associated with the land value estimates.

*Discount Rate.* Assumed required government rate of return. Corresponds to the annual return on initial land value achieved by the lease.

*Land Value.* Information obtained from market data.

*Land Value Adjustment.* Research indicates that the value of a land lease is less than the fee simple value. Assumed adjustment was applied to the lease value.

*Lease Value.* Present value of the net operating income generated from the land over the lease term. Net operating income implied from the land value estimates and the cap rate.

*Residual.* Present value of the net operating income generated from the land during the period after the lease period.

*Annual Lease Payment.* The annualized lease payment that results in the same present value as the lease value.

*Note:*

The land lease payment analysis apportions the value of the land into the economic value over two periods (1) the 50-year lease term and (2) the period after the lease period. The value over the 50-year lease period is determined by calculating the present value of the net annual income implied by the market cap rate. An adjustment was applied to the lease value to reflect that the lessee has no rights to the property at the termination of the lease and to reflect that any redevelopment or capital reinvestments by the lessee during the lease period has zero terminal value to the lessee at the end of the lease period. The amount of the value adjustment was assumed.

*Other considerations:*

- A provision could be added to the lease agreement such that as the value of the land increases over time; the lease could be "marked-to-market" every 5 or 10 years, meaning the annual lease payment could be reset to reflect the increased land value.
- A provision could be added to the lease agreement such that the government receives a share of the annual gross or net income, if revenues reach certain established thresholds. This would allow the government to share in the upside of the potential development.
- A provision could be added to the lease agreement such that if the developer wishes to redevelop the property within the first 50 years of the lease term, the developer would be granted the option of extending the lease by the number of years that have expired in the original lease term.

# **APPENDIX C**

## **Regional Housing Analysis**

**Regional Housing Market Conditions Assessment**

The Regional Housing Market Conditions were assessed based on available data in the Market Area. The Market Area for this study includes the cities of Pascagoula, Moss Point, Ocean Springs, Gautier, Biloxi, and Gulfport.

**ECONOMIC and HOUSING MARKET CONDITIONS PRE- and POST-KATRINA**

A Comprehensive Market Analysis Special Report that detailed the housing market in Gulfport-Biloxi was prepared for the U.S. Department of Housing and Urban Development (March 1, 2006). The number of vacant units jumped after Hurricane Katrina. Specific data are shown in Table C-1 (U.S. Department of Housing and Urban Development, 2006).

**Table C-1: Housing Inventory in Gulfport-Biloxi**

	1990	2000	2006
Total housing inventory	88,522	106,051	116,700
Occupied units	75,059	93,182	100,700
Vacant units	13,463	12,869	16,000

Similar to the Pascagoula region, housing prices in the Gulfport-Biloxi region spiked after Hurricane Katrina. The average sale price increased an average of 4.9% annually from 1996 to 2004 (see Table C-2). The housing market started to heat up in early 2005, which resulted in a short supply of available homes and increasing prices. Since the initial spike, the increases have moderated as more homes are renovated and re-enter the market.

**Table C-2: Average Home Sale Price in Harrison, Hancock, and Jackson Counties**

Average Home Sale Price	1996	2004	Jan.-Jul. 2005	Sept. 2005-Feb. 2006
Harrison, Hancock, and Jackson counties	88,650	129,800	144,900	160,800

Appendix C  
Regional Housing Market Conditions

Affordable housing in the area is another concern; many of the houses damaged or destroyed by Hurricane Katrina were occupied by households earning one-half or less of the area median family income. Comparable sales of single-family homes in the Market Area are presented in Table C-3.

In Pascagoula, two affordable housing communities are being built by Realtex Development Corporation. These developments include Morrison Village, a 120-unit apartment complex for senior citizens age 55 and older, and Taylor Heights, a 144-unit complex for families. Apartment condominiums in Biloxi and Gulfport are identified on Table C-4 and Table C-5, respectively.

Appendix C  
Regional Housing Market Conditions

**Table C-3: Comparable Sales of Single Family Detached Homes in Pascagoula, Moss Point, Ocean Springs, Gautier, Biloxi, and Gulfport (December 2007)**

City	Listing Price	Bedrooms	Baths	Sqft	Garage	Price/sqft	Lot Size	Notes
<b>Pascagoula</b>								
2210 Forrest St	\$ 122,500	3	2	1152	none	106	74x152	
4524 Shadow Wood Circle	\$ 194,900	3	2.5	2000	2 car	97		
4410 Navaho Ave	\$ 149,900	3	2	2096	unknown	72		
2406 8th St	\$ 114,000	3	2	1276	carport	89	60x150	
3606 Crosby Ave	\$ 269,900	3	2.5	2600	unknown	104	105x133	
1511 13th St	\$ 115,000	4	2	1,688	1 car garage	69	150x60	
4222 Evie St	\$ 111,900	4	2	1219	1 car garage	92	75x100	
1607 Parsley St	\$ 176,500	4	2	2220	none	80		
1308 Williams St	\$ 89,900	2	1	900	carport	100		
<b>Moss Point</b>								
22728 Highway 63	\$ 279,000	3	2	1730	2 car	161	2 acres	
7117 East Central Park Dr	\$ 148,000	3	2	1230	carport	120	1.5 acres	
1408 Bourne Road	\$ 29,900	4	3	3860	none	77	1.65 acres	
4201 Robinson Pt	\$ 149,500	3	2	2000	carport	75		
3924 River Pine Dr	\$ 179,900	4	2.5	2170	2 car	83		
6609 Elder Ferry Rd	\$ 59,500	2	1	1000	carport	60		
<b>Gautier</b>								
3217 Tuna Rd	\$ 141,900	3	2	1500	none	95		New Construction
1908 Bayou View Circle	\$ 170,000	4	2	1904	1 car	88		New Construction
1706 Westgate Pkwy	\$ 159,000	3	2	1777	1 car	89		
2501 Bayou Bend	\$ 279,000	3	2	2497	2 car	112	145x233	
3309 Milstead Rd	\$ 867,000	4	6	5700	5 car	152		
3509 Bayou Cove	\$ 112,000	2	1	989	none	113		
<b>Ocean Springs</b>								
8601 Mermaid Ave	\$ 129,900	3	2	1417	2 car	92	80x130	
402 Hunter Dr	\$ 137,000	3	2	2097	none	65		
5817 Shore Dr	\$ 399,000	4	3	4000	unknown	100		
308 Inverness Ct	\$ 234,900	3	2	2331	2 car	101		
6313 Hermosa Dr	\$ 633,000	5	6	5000	2 car	126		
132 Linda Circle	\$ 94,500	3	1	894	none	106		
<b>Gulfport</b>								
13442 Water's Edge Way	\$ 202,900	4	2.5	2350	2 car	86		New Construction
15520 Tranquil Lake Dr	\$ 349,900	3	2.5	2855	2 car	123		
16689 Creek Lane	\$ 214,900	4	2	2100	2 car	102		
11539 Stanton Circle	\$ 375,000	3	2	2700	2 car	139		
14100 Gladys St	\$ 151,800	3	4	1489	2 car	102		
8 Bayou Oakes Lane	\$ 649,500	5	4.5	4400	2 car	148		
<b>Biloxi</b>								
15029 Cedar Springs	\$ 168,500	3	2	1531	2 car	111		
2111 Ames St	\$ 349,900	4	3	3700	unknown	95		
364 East D	\$ 132,900	4	1.5	1500	none	89		
922 Caroline Ave	\$ 459,700	4	3.5	3415	2 car	135		
416 Saylor Dr	\$ 279,900	4	3	2140	2 car	131		
206 Crawford St	\$ 130,000	2	2	1035	none	126		

Appendix C  
Regional Housing Market Conditions

Table C-4: Biloxi Apartment Condominiums

BILOXI - APARTMENT CONDOMINIUMS									APT SF RANGE		APT PRICE (\$)	
NAME	ADDRESS	NUMBER OF UNITS	HEIGHT (ft)	COST (\$)	COST (\$)/UNIT	DEVELOPER	ACREAGE		Low	High	Low	High
2490 Beach Blvd	2490 Beach Blvd	480	218	unknown	unknown	unknown	10.8 (4 bldgs)	In Progress	unknown	unknown	unknown	unknown
Aqua	1889 Beach Blvd	175	110	27M	154K	Gulf Coast Investment Developers	1.64	In Progress	unknown	unknown	unknown	unknown
Alyeska Condos	1480 Beach Blvd	10	unknown	unknown	unknown	unknown	0.87	Built in 1998	unknown	unknown	unknown	unknown
Anatole Bay	495 Popps Ferry Rd	90	unknown	unknown	unknown	unknown	9.03	Existed prior to 1995	unknown	unknown	unknown	unknown
Avalon Condominiums	940 Beach Blvd	157	117	37M	unknown	Wilton Partners Real Estate Development	119.84	Conversion from apartments	430	800	199K	500K
Bacaran Bay Villas	377 Caillavet St	445	250	unknown	unknown	Torguson Gaming	12.4	In Progress	unknown	unknown	unknown	unknown
Beaujoulais Villas	11263 Gorenflo Rd	unknown	unknown	unknown	unknown	unknown	unknown	unknown	0	950	unknown	unknown
Beau Soliel	1877 Beach Blvd	14	95	12M	unknown	Gulf Coast Investment Developers	0.86	In Progress	unknown	unknown	unknown	unknown
Beau View Condos	2668 Beach Blvd	448	273	22M	unknown	Beau View Condos of Biloxi, LLC	11.2	Under construction	1,392	3,727	557K	unknown
Bienville Condos	1865 Beach Blvd	117	110	28M	239K	Gulf Coast Investment Developers	2.2	In Progress	797	1,619	400K	unknown
Broadwater Develop.	2110 Beach Blvd	5,275	403	unknown	unknown	Broadwater Development, LLC	261	In Progress	unknown	unknown	unknown	unknown
Chateau Le Grande	1130 Beach Blvd	40	unknown	unknown	unknown	unknown	3.35	Existed prior to 1995	unknown	unknown	unknown	unknown
City Place Condos	130 Main St	220	129	unknown	unknown	First State Investors	3.17	In Progress	unknown	unknown	unknown	unknown
Gold Coast	Veterans Ave	unknown	unknown	unknown	unknown	RW Development	unknown	unknown	unknown	unknown	unknown	unknown
Golden Gulf Towers	187 Caillavet St	9	50	unknown	unknown	Golden Gulf Enterprises	0.89	In Progress	unknown	unknown	unknown	unknown
Greystone Condos	Greystone Dr	84	unknown	4.6M	55K	unknown	unknown	Built in 2000	unknown	unknown	unknown	unknown
Gulf Beach Redevelop	2428 Beach Blvd	230	180	unknown	unknown	unknown	4.57	In Progress	unknown	unknown	unknown	unknown
Gulf Shore Villas	2301 Atkinson Rd	100	unknown	unknown	unknown	unknown	7.26	Conversion from apartment	unknown	unknown	unknown	unknown
Harbor Tower	695 Beach Blvd	242	278	unknown	unknown	unknown	1.07	In Progress	unknown	unknown	unknown	unknown
Irish Oaks	185 St. Jude St	24	35	2.7M	112K	unknown	1.38	Under construction	unknown	unknown	unknown	unknown
Le Chateau	1994 Beach Blvd	175	175	30M	171K	Gulf Coast Investment Developers	2.4	In Progress	unknown	unknown	unknown	unknown
McDonnell Square	245 McDonnell Ave	120	unknown	unknown	unknown	unknown	7.01	Existed prior to 1995	unknown	unknown	unknown	unknown
Oak Shores Ph.I	1664 Beach Blvd	176	35	18M	102K	unknown	unknown	2007	unknown	unknown	unknown	unknown
Oak Shores Condos	1664 Beach Blvd	370	95	unknown	unknown	Gulf Coast Investment Developers	unknown	unknown	unknown	unknown	unknown	unknown
Ocean Club Biloxi	2060 Beach Blvd	375	175	31M	unknown	Ocean Club of Biloxi, LLC (3 towers planned)	10	Under construction	1,138	1,666	Weekly Rent Rate - 2BR - 185-190/day	
Pelican Cay	703 Beach Blvd	44	85	unknown	unknown	unknown	2.58	Existed prior to 1995	unknown	unknown	unknown	unknown
Pelican Isle	2778 Beach Blvd	375	175	95M	253K	Laguna Land Development	10.29	In Progress	unknown	unknown	unknown	unknown
Pelican Plantation	2150 Beach Blvd	620	265	unknown	unknown	Gulf Coast Investment Developers	24.88	In Progress	unknown	unknown	unknown	unknown
Reunion Place	Brodie Rd	76	35	unknown	unknown	unknown	6.7	In Progress	unknown	unknown	unknown	unknown
The Revelay	2400 Beach Blvd	380	185	unknown	unknown	Gulf Coast Investment Developers & Sterling Resorts	6.7	In Progress	unknown	unknown	unknown	unknown
Sand Dollar	183 McDonnell Ave	16	unknown	1.2M	75K	unknown	0.86	1999	unknown	unknown	unknown	unknown
Sand Dollar	183 McDonnell Ave	21	35	1M	47K	Audubon Properties, LLC	0.86	Under construction	unknown	unknown	unknown	unknown
Savannah Estates	Brasher Road	145	110	30M	207K	Gulf Coast Investment Developers	6.2	In Progress	unknown	unknown	unknown	unknown
Sea Breeze-Biloxi	1899 Beach Blvd	101	222	22M	217M	unknown	1.78	Constructed since 1995	unknown	unknown	unknown	unknown
Seaside Residences	1782 Beach Blvd	830	100	unknown	unknown	unknown	16.75	In Progress	unknown	unknown	unknown	unknown
Seaview Suites	1808 Beach Blvd	37	90	unknown	unknown	unknown	1.23	In Progress	unknown	unknown	unknown	unknown
Shores of Paradise	2010 Beach Blvd	476	179	unknown	unknown	Gulf Coast Investment Developers	11.97	In Progress	unknown	unknown	unknown	unknown
South Beach	Veterans Ave	350	unknown	75M	215K	RW Development	(70KSF retail)	In Progress	408	860	250K	880K
South Beach - full build-out	Veterans Ave	1,175	unknown	800M		(110KSF retail, office, restaurant; 150 hotel rms)	11.54	In Progress	unknown	unknown	unknown	unknown
Sterling Beach	1775 Beach Blvd	87	100	20M	230K	Gulf Coast Investment Developers & Sterling Resorts	1.34	In Progress	unknown	unknown	unknown	unknown
Towers at Edgewater	2660 Beach Blvd	500	374	87M	174K	Gulf Coast Investment Developers	10.49	In Progress	unknown	unknown	unknown	unknown
Venezia Resort	1762 Beach Blvd	339	90	unknown	unknown	Venezia Resort Group, LLC	10.01	In Progress	800	2,700	390K	unknown
Villas at Ocean Club	2046 Beach Blvd	84	unknown	unknown	unknown	unknown	4.7	Existed prior to 1995	unknown	unknown	unknown	unknown
Vue Crescente I	Back Bay Blvd & Oak St	286	365	unknown	unknown	Sandmark Bay, LLC	7.1 (multi-phased)	70% sold	1,242	2,046	610K	1.7M
<b>TOTAL CONDOS Built, In-Progress, Planned</b>		<b>14,968</b>		<b>\$1.3B private investment known to date</b>								

Appendix C  
Regional Housing Market Conditions

**Table C-5: Gulfport Apartment Condominiums**

Name	Address	Number of Units	Height (ft)	Cost (\$)	Cost (\$)/Unit	Developer	Apt sf Range		Apt Price (\$)	
							Low	High	Low	High
Caribbean Dream	unknown	unknown	unknown	unknown	unknown	unknown				
Grandview	Long Beach	314	unknown	63M	200K	unknown				
Emerald Breeze	Long Beach	64	unknown	14M	218K	Emerald Breeze Developer, LLC	1,571	1,586	616K	656K
Gulf View	Long Beach	unknown	unknown	unknown	unknown	unknown				
Breezes of Paradise Bay		1,000	unknown	unknown	unknown	Paradise Properties Groups				
Sienna		unknown	unknown	unknown	unknown	Completed				
Legacy Towers		200	unknown	unknown	unknown	Completed	1,164	1,819	415K	1.3M

# **APPENDIX D**

## **Conservation / Recreation / Open Space**

### **Singing River Island**

Undeveloped areas of Singing River Island are composed of 150 acres of salt marsh and 100 acres of dredge material management area. These areas may be opened to the public for educational and recreational purposes, as well as a conservation and wildlife preserve with trails, displays, and lookout platforms. A possible use for the dredge material management area is as a public golf course. The approximate 100-acre land area can support a short 18-hole golf course. An alternative use for this area may be a golf driving range with the conservation areas. A parking area should be constructed for visitors. The location for road access, parking, and restroom facilities should be coordinated with the Local Redevelopment Authority.

# **APPENDIX E**

## **Other Uses – Hotel / Casino**

## **OTHER USES**

Other uses were considered during the Highest and Best Use Analysis of Singing River Island. Analyses included tourism-based usage, specifically hotels and casinos. The findings of this study conclude that neither hotels nor casinos were the Highest and Best Use of Singing River Island; however, the analyses of these uses are presented in the following sections.

## **TOURISM**

Tourism is a main driver in the local economy in the Mississippi Gulf Coast region. Tourists are attracted to beaches, sport fishing, golf, southern cuisine, shopping, and gaming in Gulfport and Biloxi. Consequently, recreation, leisure, and hospitality sectors were the largest pre-Katrina employers in the region. However, post-Katrina, the construction sector led employment growth in the region.

Commercial airports serving the Mississippi Gulf Coast region include the Gulfport-Biloxi International Airport and the Mobile Regional Airport, each located approximately an hour's drive from Pascagoula. In 2006, the Gulfport-Biloxi International Airport enplaned a total of 402,905 passengers. The airport underwent a \$51 million expansion, which added two additional gates and additional airline carriers. This expansion was completed in 2008. Based on travel data from 2007, the total enplanements through June 2007 were 218,543 passengers. Table D-1 shows passenger data from the Gulfport-Biloxi International Airport for 1996 through June 2007. In 2007, the airport expected to host over 500,000 enplanements and 500,000 deplanements. The terminal renovation is one of 19 improvements the airport authority has undertaken as part of a complete expansion, which will more than double passenger capacity to 2.2 million a year (enplanements and deplanements). It is forecasted that the Gulfport-Biloxi International Airport will reach its 2.2 million annual passenger capacity by 2017 (Gulfport-Biloxi International Airport, 2007).

The Gulfport-Biloxi International Airport previously was expanded in 1998, which increased the annual enplanement from 189,730 passengers in 1998 to 352,315

Appendix E  
Other Uses - Hotels / Casinos

passengers in 1999. Airline passenger travel fell drastically after the terrorist attacks of September 11th and was beginning to recover pre-Katrina. However, Hurricane Katrina's damage caused a 22% decline in travel to and from the Mississippi Gulf Coast region.

Appendix E  
Other Uses - Hotels / Casinos

**Table E-1: Gulfport-Biloxi International Airport Passenger Enplanement and Deplanement**

Year	Enplanement	Deplanement	Total
1996	111,444	112,985	224,429
1997	178,075	176,758	354,833
1998	189,730	190,016	379,746
1999	352,315	353,050	705,365
2000	476,068	473,161	949,229
2001	421,393	418,490	839,883
2002	401,385	398,131	799,516
2003	430,844	427,044	857,888
2004	442,365	431,013	873,378
2005	384,625	386,223	770,848
2006	402,905	394,940	797,845
2007	218,543 <sup>a</sup>	218,620 <sup>a</sup>	437,163 <sup>a</sup>

<sup>a</sup> Passenger data through June 2007

Table D-2 shows passenger data from the Mobile Regional Airport for 1996 through August 2007. The Mobile Regional Airport also experienced a decline in travel following the terrorist attacks of September 11th and Hurricane Katrina. In 2006, the Mobile Regional Airport enplaned a total of 299,211 passengers. Based on travel data from 2007, the total projected passengers traveling through the Mobile Regional Airport in 2007 was 633,979, which includes 315,822 enplanements and 318,157 deplanements (Mobile Regional Airport 2007). This represents approximately a 5% increase in total passengers from 2006 to 2007. The total capacity at the Mobile Regional Airport is unknown; however, based on an annual 5% growth rate, the airport would reach a total of approximately 1 million passengers by 2017.

Appendix E  
Other Uses - Hotels / Casinos

**Table E-2: Mobile Regional Airport Passenger Enplanement and Deplanement**

Year	Enplanement	Deplanement	Total
1996	387,506	387,548	775,054
1997	411,781	411,456	823,237
1998	415,884	417,760	833,644
1999	355,461	357,193	712,654
2000	390,365	393,755	784,120
2001	356,121	357,811	713,932
2002	327,140	322,255	649,395
2003	310,896	312,009	622,905
2004	305,209	305,419	610,628
2005	320,881	318,072	638,953
2006	299,211	304,011	603,222
2007	210,548 <sup>a</sup>	212,105 <sup>a</sup>	422,653 <sup>a</sup>

<sup>a</sup> Passenger data through August 2007

Table D-3 shows the total passengers traveling to both the Gulfport-Biloxi International Airport and Mobile Regional Airport. The total number of passengers traveling to the Mississippi Gulf Coast Region is on the rise. This trend is expected to continue with the expansion of the Gulfport-Biloxi International Airport and the addition of flights and carriers. Specifically, the total number of passengers traveling through the Gulfport-Biloxi International Airport is expected to grow from 1 million in 2007 to 2.2 million in 2017, a 12% annual increase. If capacity allows, based on a 5% annual growth rate, total passengers who travel through the Mobile Regional Airport could grow to 1 million by 2017. Therefore, the projected total passengers in 2017 who will travel through the Gulfport-Biloxi International Airport and Mobile Regional Airport is approximately 3.2 million, representing a 100% increase from 2007. The projected transient population offers a significant target market for the Mississippi Gulf Coast region.

Appendix E  
Other Uses - Hotels / Casinos

**Table E-3: Gulfport-Biloxi International Airport and Mobile Regional Airport Passenger Enplanement and Deplanement**

Year	Enplanement	Deplanement	Total
1996	498,950	500,533	999,483
1997	589,856	588,214	1,178,070
1998	605,614	607,776	1,213,390
1999	707,776	710,243	1,418,019
2000	866,433	866,916	1,733,349
2001	777,514	776,301	1,553,815
2002	728,525	720,386	1,448,911
2003	741,740	739,053	1,480,793
2004	747,574	736,432	1,484,006
2005	705,506	704,295	1,409,801
2006	702,116	698,951	1,401,067
2007	815,822 <sup>a</sup>	818,157 <sup>a</sup>	1,633,979 <sup>a</sup>

<sup>a</sup>Projected passenger data for 2007

In addition, 2006 demographics of major metropolitan areas within a 500-mile radius of Pascagoula were researched. Within a 300-mile radius, or approximately a 5-hour drive, are the cities of Mobile, New Orleans, Baton Rouge, Jackson, Montgomery, Birmingham, and Huntsville. These cities have a combined population, age 18 and older, exceeding 1,000,000. The combined population exceeds 239,000 for persons age 62 and older. The average median family income is approximately \$46,000 for these cities.

Between the 300-mile to 500-mile radii are the cities of Atlanta, Memphis, Shreveport, Little Rock, Galveston, St. Petersburg, Houston, Jacksonville, Nashville, Knoxville, and Dallas. These cities have a combined population, age 18 and older, of 4,887,168. The combined population exceeds 792,000 for persons age 62 and older. The average median family income is approximately \$46,000 for these cities.

For all of the above cities, the combined population age 18 and older is nearly 6 million. The combined population for all of the cities is more than 1 million for age 62 and older. These demographics present an attractive market to introduce to the Mississippi Gulf

Coast, whether for leisure-recreation activities, employment and residency, or business.

## **HOTELS & CASINOS**

### *Hotel Inventory*

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In the Mississippi Gulf Coast region of Jackson, Hancock, and Harrison counties, there are currently approximately 10,877 available (casino and noncasino) hotel rooms. The majority of the rooms are in Harrison County, followed by Jackson County. The cities of Gulfport and Biloxi, in Harrison County, contain the majority of the rooms, many of which are in casino hotels (Mississippi Hotel & Lodging Association Hotel Inventory 2007). Since Hurricane Katrina left much of the coast devoid of its former improvements, redevelopment is occurring along the coastline and includes the rebuilding of casino hotels, apartment condominiums, and commercial enterprises.

The Mayor of Biloxi, A.J. Holloway, stated that "there's no doubt that [casinos] are the engine driving this train. The income coming in has helped us to recover at a quicker pace." In Jackson County, the majority of the hotel rooms can be found in Ocean Springs, which offers 1,053 rooms. In Pascagoula, there are only 526 hotel rooms. The Mississippi Development Authority Division of Tourism reports approximately 2,395 hotel rooms in the Pascagoula, Moss Point, Gautier and Ocean Springs market area for 2007. Standard room rates range from \$59 to \$139 per night, and the average occupancy rate is 70%. Based on a Robert Niehaus Report dated August 20, 2007, the average occupancy rate in Jackson County is 69.40%, which is above the national average of 66.80%. It is also higher than the state averages for franchise/corporate hotel occupancy for fiscal year (FY) 2005 and FY2006, which were 60% and 68.90%, respectively. The state averages for casino occupancy for FY2005 and FY2006 are notably higher at 85.3% and 85.1%, respectively.

The Mississippi Development Authority Division of Tourism reports the following numbers of casino hotels, noncasino hotels, motels, and extended stay accommodations located in Gulfport, Biloxi, Ocean Springs, Gautier, Moss Point, and Pascagoula in 2007:

Appendix E  
Other Uses - Hotels / Casinos

- Gulfport: 1 Casino hotel with 560 rooms  
15 Noncasino hotels and motels with 1,550 rooms
- Biloxi: 7 Casino hotels with 4,875 rooms  
19 Noncasino hotels and motels with 1,497 rooms
- Ocean Springs: 11 Noncasino hotels and motels with 857 rooms
- Gautier: 3 Noncasino hotels and motels with 248 rooms
- Moss Point: 11 Noncasino hotels and motels with 764 rooms
- Pascagoula: 6 Noncasino hotels and motels with 526 rooms

According to a November 2007 Visitor Profile Report conducted by TravelsAmerica for the Mississippi Gulf Coast Convention and Visitor Bureau, in FY2006 the average trip lasted 2.8 days/nights, which is slightly lower than the national average of 3.4 days. Of the visitors traveling to the Mississippi Gulf Coast, approximately 61% stayed in a hotel/motel in FY2006. Forty-five percent of visitors travel in a pair, 23% traveled with children, and the majority of the remainder travel alone. The average number of persons sharing a hotel/motel room in the Mississippi Gulf Coast was 2.2.

*Mississippi Coast Coliseum and Convention Center*

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The Mississippi Coast Coliseum and Convention Center in Biloxi draws over half a million visitors to the region annually. The convention center currently is undergoing an expansion, which will increase the overall square footage from 180,000 to 380,000 square feet. Another expansion is planned in five to six years. The expansion and renovation of the convention center will appeal to larger conventions, attract more events and attendees, and result in more revenue to the region.

The number of visitors, or transient population, projected to arrive annually at the Gulfport-Biloxi International Airport and Mobile Regional Airport is 1.6 million passengers for 2007 and 1.8 million passengers for 2010. This transient population is targeted by the casino hotel, apartment condominium, and convention center businesses, in addition to the golf courses, sport fishing, shopping, and other businesses and attractions. The transient population has a significant impact on the economy. Statewide, visitors spent \$6.3 billion in 2005. In 2006, following Hurricane

Appendix E  
Other Uses - Hotels / Casinos

Katrina, visitors spent \$5.3 billion. Statewide in 2006, 20.6 million domestic visitors visited Mississippi; 3.56 million persons visited the Mississippi Gulf Coast in 2007.

Resort ownership, or timeshare ownership, of apartment condominiums was also researched. According to the 2007 U.S. Vacation Ownership Industry Study, prepared by Ernst & Young, LLP, the national population of persons age 65 and older is projected to be 86.7 million by 2050. The Mississippi Department of Human Services projects a population of 456,000, age 65 and older, by 2015, representing an increase of 93,000 people. The projected population by 2025 is 615,000, representing an increase of 252,000 people. Over the next 18 years, this projected growth equals an annual average of 14,000 people. The growth in population of persons age 65 and older is an attractive market for resort ownership. Today's retirement-age population seeks an active lifestyle and has the most disposable income as compared with other age groups.

The Ernst & Young study (2007) also reported 4.4 million timeshare owners in the United States; the number of timeshare owners has grown an average of 7% per year since 2005. The study further reported that the 2006 timeshare occupancy rates, nationally, average 80.9% as compared to average hotel occupancy rate of 63.4%.

In July 2006, the American Resort Development Association reported 18.5% of timeshare buyers were under the age of 40 and 30.4% were age 60 and older. Beach resorts are the preferred location at 23.9%, with country/lake resorts second at 15.4% and golf resorts third at 9.7%. Two-bedroom units are the preferred size by 63%, with one-bedroom units preferred by 22%, three-bedroom by 9%, and studios by less than 6%. The average price of a timeshare interval was \$18,500 in 2006.

As previously discussed, the 2006 demographics within a 500-mile radius identify a prospective target market of approximately 6.0 million persons age 18 and older and 1.0 million persons ages 62 and older with a median family income of \$46,000. Many within this market area are within a day's drive. All are viable prospects as timeshare buyers or weekly renters of apartment-condominiums, with the 62 and older age group

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Other Uses - Hotels / Casinos

being the most viable prospect group since they are likely to have the assets, disposable income, and interest to buy or rent on the Mississippi Gulf Coast.

A 2007 prospective transient population of 1.6 million total passengers from the Gulfport-Biloxi International Airport and Mobile Regional Airport, together with the prospective population of 6.0 million (age 18 and older) and 1.0 million persons age 62 and older for the major cities within a 500-mile radius offers a significant target market for the Mississippi Gulf Coast region. The forecasted transient population through 2015 at the Gulfport-Biloxi International and Mobile Regional Airport reinforces the attraction of the Mississippi Gulf Coast to those visitors outside the region and supports the planned developments of casino hotels and apartment-condominiums.

#### **HOSPITALITY USE OF HOTELS AND CASINOS**

Our research disclosed significant new casino hotel development in progress and planned for the Gulfport-Biloxi area in response to the incentive programs established to encourage post-Katrina restoration, rebuilding, and new development. In the Pascagoula / Moss Point / Gautier / Ocean Springs market area, there are approximately 2,395 hotel rooms that range in room rates from \$59 to \$139 and have a current occupancy of 69.4%.

Tables D-4 to D-9 summarize hotels, casino hotels, and apartment condominiums that are existing, in-progress, or planned in the market area for 2007. Tables D-4 and D-5 address casino hotels, motels, and extended stay accommodations in Gulfport and Biloxi, respectively.

Appendix E  
Other Uses - Hotels / Casinos

**Table E-4: Casino Hotel, Motels, and Extended Stay Accommodations in Gulfport, Mississippi**

Name	Address	Number of Rooms	Notes	Apt SF Range		Apt Price	
				Low	High	Low	High
Island View Casino	3300 West Beach Boulevard	560	83,000 SF casino; Emeril's Gulf Coast Fish House	unknown	unknown	unknown	Unknown
<b>Total number of rooms</b>		<b>560</b>					

*Note:* Apt = apartment  
SF = square feet

**Table E-5: Casino Hotel, Motels, and Extended Stay Accommodations in Biloxi, Mississippi**

Name	Address	Number of Units	Height (ft)	Cost	Developer	Notes	Apt SF Range		Apt Price	
							Low	High	Low	High
Beau Rivage	875 Beach Boulevard	1,740	350	unknown	unknown	10 restaurants, conference rooms	N/A	N/A	N/A	N/A
Boomtown Casino	676 Bayview Avenue	none	Unknown	unknown	unknown	33KSF casino, 2 restaurants	N/A	N/A	N/A	N/A
Grand Biloxi	280 Beach Boulevard	500	Unknown	unknown	unknown	33KSF casino, 4 restaurants, conference rooms	N/A	N/A	N/A	N/A
Hard Rock Casino	777 Beach Boulevard	318	Unknown	unknown	Premier Entertainment, LLC	50KSF casino, 6 restaurants, 1,500 capacity entertainment venue	N/A	N/A	N/A	N/A
Imperial Palace	850 Bayview Avenue	1,088	350	unknown	unknown	70KSF casino, 7 restaurants, conference rooms	N/A	N/A	N/A	N/A
Isle of Capri	151 Beach Boulevard	741	Unknown	unknown	unknown	45KSF casino, 4 restaurants	N/A	N/A	N/A	N/A
Palace Casino Resort	158 Howard Avenue	236	Unknown	unknown	unknown	32KSF casino, 3 restaurants	N/A	N/A	N/A	N/A
Treasure Bay Casino	1980 Beach Boulevard	252	Unknown	unknown	unknown	2 restaurants, conference rooms	N/A	N/A	N/A	N/A
<b>Total number of rooms</b>		<b>4,875</b>								

*Note:* ft = feet                      APT = apartment  
N/A = not available              SF = square feet

Appendix E  
Other Uses - Hotels / Casinos

Non-casino hotels, motels, and extended stay accommodations are distributed as follows: 15 in Gulfport, 19 in Biloxi, 11 in Ocean Springs, 3 in Gautier, 11 in Moss Point, and 6 in Pascagoula. Tables D-6 through D-11 identify noncasino hotels, motels, and extended stay accommodations in these cities.

**Table E-6: Non-Casino Hotels, Motels, and Extended Stay Accommodations in Gulfport, Mississippi**

Name	Address	Number of Units
Best Value Inn	9375 Highway 49	110
Best Western Seaway	9475 Highway 49	180
Comfort Inn	9343 Highway 49	68
Crystal Inn	9379 Canal Road	110
Days Inn	15250 Poole Street	65
Econo Lodge & Suites	9265 Canal Road	50
Fairfield Inn	15151 Turkey Creek Road	79
Gulfport Beachfront	1600 E. Beach Boulevard	105
Hampton Inn	9445 Highway 49	155
Holiday Inn	9415 Highway 49	152
Magnolia Plantation	16391 Robinson Road	40
Motel 6	9355 Highway 49	96
Quality Inn	9435 Highway 49	112
Sun Suites	9145 Highway 49	128
Value Place	8420 Highway 40 N	100
<b>Total number of rooms</b>		<b>1,550</b>

Appendix E  
Other Uses - Hotels / Casinos

**Table E-7: Noncasino Hotels, Motels, and Extended Stay Accommodations in Biloxi, Mississippi**

Name	Address	Number of Units
Balmoral Inn	120 Balmoral Avenue	10
Bay Front Inn	1888 Beach Boulevard	40
Best Western	886 Beach Boulevard	116
Broadway Inn Express	2688 Beach Boulevard	65
Comfort Inn	7827 Lamar Poole Road	84
Econo Lodge	1776 Beach Boulevard	51
Edgewater Inn	1936 Beach Boulevard	65
Flamingo Beach	1746 Beach Boulevard	55
Hampton Inn	1138 Beach Boulevard	71
Hampton Inn	13291 Big Ridge Road	71
Holiday Inn	1686 Beach Boulevard	100
Jubilee Inn	1678 Beach Boulevard	63
Quality Inn	2416 Beach Boulevard	148
Ramada Limited	1768 Beach Boulevard	54
Red Carpet Inn	14203 Cook Road	60
Rodenburg Express	1712 Beach Boulevard	30
Scottish Inns & Suites	14201 Cook Road	60
Star Inn	1716 Beach Boulevard	22
Super 8	1870 Beach Boulevard	332
<b>Total number of rooms</b>		<b>1,497</b>

Appendix E  
Other Uses - Hotels / Casinos

**Table E-8: Noncasino Hotels, Motels, and Extended Stay Accommodations in Ocean Springs, Mississippi**

Name	Address	Number of Units
Best Western	7921 Lamar Poole Road	90
Comfort Inn	7827 Lamar Poole Road	84
Country Inn & Suites	13900 Wilfred Seymore Road	64
Days Inn	7305 Washington Avenue	60
Gulf Hills Hotel & Conference Center	13701 Paso Road	54
Hampton Inn	13921 Big Ridge Road	72
Holiday Inn Express	7304 Washington Avenue	63
Howard Johnson	7412 Tucker Road	78
Ramada Limited	8105 Tucker Road	76
Super 8 Motel	13838 Wilfred Seymour Rodd	92
Villager Premier	2873 Bienville Boulevard (Highway 90)	124
<b>Total number of rooms</b>		<b>857</b>

**Table E-9: Noncasino Hotels, Motels, and Extended Stay Accommodations in Gautier, Mississippi**

Name	Address	Number of Units
Best Western	704 Highway 90	42
Suburban Extended Stay	3491 Dolphin Drive	126
Villas of Hickory Hill	7900 Martin Bluff Road	80
<b>Total number of rooms</b>		<b>248</b>

Appendix E  
Other Uses - Hotels / Casinos

**Table E-10: Noncasino Hotels, Motels, and Extended Stay Accommodations in Moss Point, Mississippi**

<b>Name</b>	<b>Address</b>	<b>Number of Units</b>
Best Western	4830 Amoco Drive	78
Comfort Inn	6801 Highway 63	82
Days Inn	I-10 at Exit 69	54
Deluxe Inn & Suites	7105 Highway 63	41
Econo Lodge	7205 Tanner Lane	58
Hampton Inn	6730 Highway 63	77
Holiday Inn Express	4800 Amoco Drive	102
LaQuinta Inn	6292 Highway 63	52
Quality Inn	6800 Highway 63	114
Shular Inn	6623 Highway 63	49
Super 8 Inn	6824 Highway 63	57
<b>Total number of rooms</b>		<b>764</b>

Appendix E  
Other Uses - Hotels / Casinos

**Table E-11: Noncasino Hotels, Motels, and Extended Stay Accommodations in Pascagoula, Mississippi**

Name	Address	Number of Units
Coast Motel	1407 Telephone Road	45
Kings Inn Motel	2302 Denny Avenue	103
La Font Inn & Conference Center	2703 Denny Avenue	192
Payless Motel	1725 Denny Avenue	30
Studio Inn Motel	4419 Denny Avenue	114
Super 8 Motel	4919 Denny Avenue	42
<b>Total number of rooms</b>		<b>526</b>

Table D-12 summarizes the combined total number of noncasino hotels, motels, and extended stay accommodations in Gulfport, Biloxi, Ocean Springs, Gautier, Moss Point, and Pascagoula.

**Table D-12: Noncasino Hotels, Motels, and Extended Stay Accommodations in the Mississippi Gulf Coast**

City	Number of Units
Gulfport	1550
Biloxi	1497
Ocean Springs	857
Gautier	248
Moss Point	764
Pascagoula	526
<b>Total number of rooms</b>	<b>5442</b>

For the purpose of this report, only existing hotel rooms were included to determine the actual inventory and occupancy. The combined total number of hotel rooms (casino and no-casino) for the Gulfport-Biloxi / Ocean Springs / Gautier / Moss Point / Pascagoula market area is 10,877.

Appendix E  
Other Uses - Hotels / Casinos

Assuming 365 room-nights of occupancy, there are approximately 4.0 million room-nights rented annually. Assuming visitors stay for an average of 2.8 nights, there will be approximately 1.4 million stays available annually (TravelsAmerica 2007).

This number was compared to the number of visitors coming to the Gulf Coast area and looking to rent a hotel room. Approximately 3.6 million visitors came to the Gulf Coast area in FY2006, and 61% were looking to stay in a hotel (TravelsAmerica, 2007). Based on this percentage, there are 2.2 million visitors who are looking to stay in a hotel. However, many visitors will share a room with one or more persons. Based on the travel party size, TravelsAmerica deduced 2.2 persons share a hotel room. This translates into approximately 1 million hotel rooms needed for 2.8 night stays. Comparing this to the 1.6 million hotel stays available, this would indicate an approximate average rate of occupancy of 71%.

With the occupancy rate at 71%, there would be capacity for an additional 880,000 persons. This is based on the difference of 0.6 million (1.6 million stays available - 1.0 million needed hotel rooms) hotel stays and the average travel party size of 2.2 persons. The current and planned inventories seem consistent with the current demand. However, the resident population is forecasted to grow 0.8% annually, and the number of visitors to the Mississippi Gulf Coast is expected to grow 7% to 11% annually. Prior to Hurricane Katrina, the number of visitors to the Mississippi Gulf Coast area was approximately 8 million to 10 million per year; the estimated number of visitors for 2007 was approximately 3.6 million. Therefore, if the projected growth rate continues annually, visitor traffic is projected to return to pre-Katrina levels by 2016. Additionally, based on the current number of hotel rooms and the projected annual visitor growth, we project a future unmet demand for the projected 5 million to 6 million visitors expected over the next eight years. For each 1 million visitors at 2.2 persons per room and 2.8 nights per stay and assuming a 70% occupancy, there will be an estimated 1,500 rooms required per year to 2016 (TravelsAmerica 2007).

## **JACKSON COUNTY**

Gambling is not legal in Jackson County and so would not be a permitted use. In 1990, 60% of voters opposed legalizing casino gambling in Jackson County. In November 2007, a nonbinding referendum for a \$375 million gaming facility proposed by the Mississippi Band of Choctaw Indians was rejected by 60.2% of voters. The Choctaw Indians proposed building a gaming facility that would not be subject to state or local taxes on 100 acres of reservation land on Mississippi Route 57 near the I-10 interchange. They promised to pay an impact fee of 4% of gaming revenue (an estimated \$7 million) to Jackson County for infrastructure improvements. Comparably, state and local taxes for gaming establishments are 12% of gross gaming revenue, with 8% of gross gaming revenue going directly to the state of Mississippi and 4% to local government agencies for support of education and other public services. In FY2006, with \$2.24 billion in gross gaming revenue, this translated into \$273.55 million in total gaming-related tax revenue.

## **RESULTS OF ANALYSIS OF OTHER USES**

While hotel use may be desirable in the vicinity of Pascagoula, feedback from the community and the Local Redevelopment Authority (LRA) indicated it is not desirable on Singing River Island due to the preference for industrial-office use on the Property. Additionally, hotel use may compete or conflict with the City of Pascagoula's planned Riverfront Redevelopment. Consequently, hotel use is not recommended.

Based on feedback from the community and the LRA, casino use is neither a desired nor welcome use and, consequently, is not recommended for the reuse of Singing River Island.

The Highest and Best Use Analysis does not include hotels or casinos as the recommended reuse of Singing River Island.

# **APPENDIX F**

## **Other Uses – Naval Museum / Amusement Park**

## **OTHER USES - Naval Museum / Amusement Parks**

The Highest and Best Use Analysis of Singing River Island included the analysis of a Naval Museum and an Amusement Park development. The conclusion of the analysis of these two possible uses is that neither is the Highest and Best Usage for Singing River Island. However, the findings of the analysis of these use concepts are presented separately in this section because they may be considered for usage in the City of Pascagoula's Riverfront Development Plan.

### **NAVAL MUSEUM**

A Naval Museum was considered as a possible use but was viewed as inappropriate and incompatible with the existing industrial area of Northrop Grumman Ship Systems Ingalls Operations shipyard, with existing deed restrictions, with the proposed City of Pascagoula Waterfront Development, and with the proposed industrial/office park. While we believe the market data support such a use, we recommend that the City of Pascagoula consider this possible use, and other findings in this report, to incorporate into the City's Riverfront Development Plan.

The envisioned Naval Museum concept creates a unique destination attraction by presenting:

- the history of shipbuilding in Pascagoula,
- the influence of Northrop Grumman on the industry,
- the importance of the United States (U.S.) Navy to the defense of America,
- the shipbuilding industry and the community,
- scaled models of shipbuilding methods and equipment to illustrate advancements in technology,
- an interactive battle at sea or submarine experience, and
- an IMAX theatre.

The use of the USS Ticonderoga or other U.S. Navy ship associated with the shipyard at Pascagoula complements the Naval Museum as a floating museum by extending the museum experience outside the Naval Museum to the pier.

A Naval Museum establishes a center for learning, celebrates the history of shipbuilding, and features hands-on interactive experiences and a tour of the retired Aegis cruiser, USS Ticonderoga, or other U.S. Navy ship associated with the shipyard at Pascagoula. It will also increase consumer traffic and provide a customer base to the hotel(s), restaurants, and shops.

A Naval Museum offers a unique complement to the city's waterfront plan and, with a former U.S. Navy ship, establishes a unique destination attraction for the city of Pascagoula.

## **AMUSEMENT PARKS**

While there is a need and community desire for more family-oriented attractions, the location of Singing River Island lacks the population density and the visitor composition for a themed amusement park. The visitors who historically visit the Mississippi Gulf Coast do so for gaming, golf, water sports, dining, and shopping. The gaming industry has established an adult entertainment image, whereas the beach and water sports are primary attractions for families. The susceptibility to periodic storm damage is a major constraint and investment risk for a themed amusement park.

For the former Six Flags-Jazzland, located in New Orleans, a market study revealed people go to New Orleans to party and eat rather than ride roller coasters (Perez, 2007). Although the park was built, it was not as successful as other Six Flags amusement parks.

Based on the 2006 Visitor Profile Study, 50% of people go to the Biloxi/Gulfport region for gaming, followed by 20% for shopping, and 20% for fine dining. Currently, the region emphasizes adult activities. Therefore, families would need to be targeted,

Appendix F  
Other Uses - Naval Museum / Amusement Parks

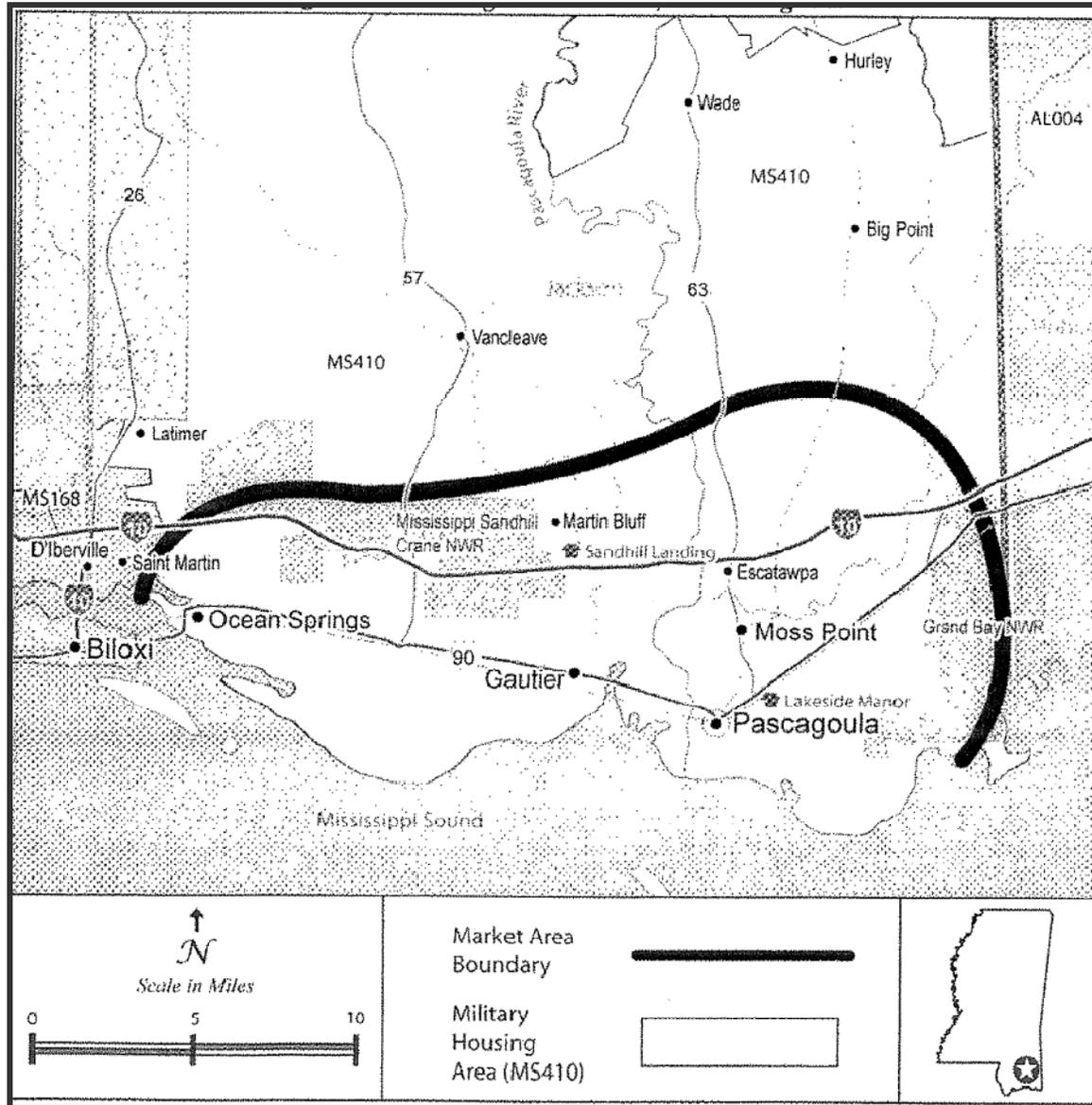
and multiple attractions would need to be built for families to consider the region as a destination attraction.

# **APPENDIX G**

## **Additional Figures**







# **APPENDIX H**

## **Acronyms**

## ACRONYMS

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FAR	Floor Area Ratio
ft	foot
FY	Fiscal Year
LRA	Local Redevelopment Authority
NGSS	Northrop Grumman Ship Systems
NOAA	National Oceanic and Atmospheric Administration
NOI	Notice of Interest
NS	Naval Station
SF	Square foot
U.S.	United States