

AN ADVISORY SERVICES PANEL REPORT

Pascagoula Mississippi



Urban Land
Institute

Pascagoula Mississippi

Live Oak Area Revitalization

June 18–21, 2007
An Advisory Services Panel Report

ULI—the Urban Land Institute
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About ULI—the Urban Land Institute

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is committed to:

- Bringing together leaders from across the fields of real estate and land use policy to exchange best practices and serve community needs;
- Fostering collaboration within and beyond ULI's membership through mentoring, dialogue, and problem solving;
- Exploring issues of urbanization, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both built and natural environments;
- Sharing knowledge through education, applied research, publishing, and electronic media; and

- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Established in 1936, the Institute today has more than 38,000 members from 90 countries, representing the entire spectrum of the land use and development disciplines. Professionals represented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

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About ULI Advisory Services

The goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a three-day panel assignment is intensive. It includes an in-depth briefing composed of a tour of the site and meetings with sponsor representatives; interviews with community representatives; and one day for formulating recommendations. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. At the request of the sponsor, a written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's panel assignments are able to make accurate assessments of a sponsor's issues and to

provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

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panel would like to thank the more than 30 community members who shared their time, insights, and hopes during the interview process. Everyone who participated in the panel process provided vital insight and demonstrated the civic dedication that will contribute to Pascagoula's continued success as a place to live, work, and play.

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Foreword: The Panel's Assignment

The city of Pascagoula responded to Hurricane Katrina's devastation with an aggressive effort to improve the quality of housing, retail, and public amenities throughout the city. Active revitalization programs in the downtown, riverfront, and Live Oak Site seek to improve Pascagoula's quality of life and attract new residents. In 2006, the city presented its plans for riverfront redevelopment in a Project Analysis Session at ULI's Fall Meeting. Pleased with the outcome, the city invited ULI to convene an Advisory Services Panel to study the development possibilities of the Live Oak Site. The panel met in Pascagoula, June 18–21, 2006, to study the site, interview city officials and residents, and make recommendations for redevelopment of the Live Oak Site.

Background

A city of 26,200 people, Pascagoula, Mississippi, is situated at the mouth of the Pascagoula River on the Gulf of Mexico. The city is a major industrial center anchored by Northrop-Grumman Ship Systems, a Chevron Oil Refinery, a shrimping fleet, and other industries. Jobs in Pascagoula attract workers from all along the Gulf Coast. Most industry is clustered along the east and west edges of the city. Housing consists of primarily single-family homes with some multifamily rental apartments. U.S. Highway 90, Market Street, and Ingalls Avenue are the major retail corridors.

The city suffered significant damage from Hurricane Katrina in August, 2005. The storm flooded nearly 95 percent of the city, destroyed 450 houses, and damaged 2,000 more. Storm surges inflicted heavy damage on the industrial areas and destroyed historic neighborhoods along the waterfront. Since the storm, more than 600 damaged houses have been demolished. In late 2005, the federal government announced plans to close Naval Homeport Pascagoula.



Regional map.

The Live Oak Site is a 22-acre parcel at the heart of Pascagoula, just southeast of the intersection of U.S. Highway 90 and Market Street. Carver Village, a multifamily, low-income housing development, occupied the site from the 1940s through 2005. In 2005, the complex suffered heavy damage from Hurricane Katrina and was subsequently razed by the city. The LIFE Foundation, a California-based nonprofit organization, purchased the property in 2006 and is working closely with the city of Pascagoula to redevelop the property.

Situated on Live Oak Street, the site does not have direct access or visibility from U.S. Highway 90 or Market Street. The site is bounded on the south by an active railroad line and drainage canal. Currently, Live Oak Street is one-way from U.S. Highway 90 to Market Street, a situation

that hinders traffic flow into and out of the site. The site is relatively flat, free of known environmental issues, and designated by the Federal Emergency Management Agency as having low-to-moderate risk of flooding.

The Panel's Assignment

The city of Pascagoula asked the panel to explore a variety of issues affecting the successful redevelopment of the Live Oak Site. The city's core concerns included the following:

- Strategies for improving the site's visibility and access from U.S. Highway 90 and Market Street;
- Assessment of market demand for new development on the site and in Pascagoula;
- Recommendations on feasible development strategies for the site that consider the effect of the U.S. Department of Housing and Urban Development (HUD) covenant on the property;
- Possibilities for developing a community center on the site; and
- Strategies for implementing the redevelopment of the site.

At its June meeting in Pascagoula, the panel interviewed more than 30 community stakeholders, participated in briefings with city staff, and consulted with many other community stakeholders. The panel presented its recommendations, which

are summarized in this report, at a public meeting on June 21, 2007, at the La Font Inn.

The Panel's Approach

The panel applauds the city's efforts to capitalize on opportunities available in the wake of Hurricane Katrina to improve the quality of life in Pascagoula. The panel recognizes that successful development of the Live Oak Site must complement other development underway in the city. Major public projects on the riverfront and downtown, private projects near the Live Oak Site, and housing redevelopment throughout the city will affect the market demand for development at the Live Oak Site.

In all cases, new development should capitalize on Pascagoula's unique characteristics: a strong industrial base, excellent water sports opportunities, beautiful waterways, and dedicated residents. Pascagoula's strong job base presents many opportunities and could be the envy of many American towns and cities. By celebrating its special character rather than seeking to imitate other communities, Pascagoula can build the energy and excitement needed to continue its success into the future.

Market Potential

Pascagoula's leaders have an opportunity to create a catalytic project at the heart of the city. Although the panel believes that significant market demand exists, officials must balance development priorities at the waterfront, downtown, and elsewhere in the city with development at the Live Oak Site. Careful consideration of how these sites, and others in the city, complement one another will foster revitalization throughout the city.

Market Context

The Live Oak Site's location and condition are conducive to new development. Currently, an estimated 54,000 cars per day pass close to the site on U.S. Highway 90 and Market Street. Because of the city's proactive efforts, the site is cleared, free of known environmental issues, and under cooperative ownership. The site is conveniently accessible to most parts of the city and directly connected to the downtown and waterfront by Live Oak Avenue.

Pascagoula offers market conditions friendly to new development. The lack of national retail and restaurant chains may present an opportunity for businesses seeking to enter the local market. Additionally, Pascagoula has an unmet demand for housing for middle managers and their families. Very significantly, the LIFE Foundation appears ready to assist the city to plan, finance, and implement new development at the site.

The city must address several challenges to promote successful development at the site. Most important, existing frontage lots on U.S. Highway 90 and Market Street must be acquired to increase the site's visibility. The existing HUD restriction may limit development of market-rate housing. The city must also overcome the current tendency to invest north of Interstate 10 (I-10) and in other

areas of Jackson County. Design and marketing efforts can mitigate other issues, including the site's irregular shape, an active freight rail line along the southern edge, and negative public perception of the site and its history.

Residential Market

Residential development faces a long-term trend toward stagnation and new financial challenges raised by Hurricane Katrina. Since 1980, Pascagoula has experienced limited residential growth, with an average of 22 single-family units and six multifamily units built per year. Since Hurricane Katrina, development has increased because of rebuilding; however, 95 percent of the 32 new housing developments currently being developed in Jackson County are located north of I-10. Most future growth in the county is expected to occur outside the city, particularly in areas north of I-10.

Pascagoula must increase its housing diversity and amenities to retain and attract middle- and upper-income residents. Currently, many buyers purchase homes outside the city to find diverse housing types, size, and price points. Additionally, the city lacks the quality-of-life amenities needed to retain and attract affluent homebuyers. The thousands of commuters who travel into Pascagoula each day offer a ready-made market for new, desirable housing options and amenities. In planning future development, the city should also address the effect of increased insurance costs in making housing less affordable south of I-10.

The panel believes that the current market offers opportunities for attached single-family townhomes with garages on the first floor in the price range from \$150,000 to \$200,000 and higher-quality rental apartments above ground-floor retail.

Retail, Restaurant, and Entertainment Markets

Pascagoula can improve the quality of life and capture retail sales leaking to adjacent markets by creating attractive retail, restaurant, and entertainment options. Current retail underserves the population; the city's current six to ten square feet of retail space per capita is less than half the national average of 26 square feet per capita. The greatest retail sales leakage within a five-mile radius occurs in grocery stores (\$23.1 million), building materials (\$18.6 million), department stores (\$11.9 million), furniture and home furnishings (\$9.5 million), electronics and appliances (\$7.8 million), clothing (\$5.8 million), and sporting goods (\$4.8 million). Many residents reported that they regularly travel 40 miles to Mobile, Alabama, for shopping and entertainment.

Development at the Live Oak Site, riverfront, and downtown can capitalize on the lack of retail, entertainment, and restaurant options. The limited presence of national chains creates a friendly environment for local entrepreneurs. New retailers could target local market demand for sporting goods, family-oriented entertainment, and building supplies. The city can encourage retail growth by addressing the effect of insurance costs on tenants' ability to pay rent and marketing to local retailers. A recent expression of interest in the Live Oak Site from a national homebuilding supply chain demonstrates that national retailers are interested in Pascagoula. The panel also recommends recruiting a national sporting goods retailer, such as a Bass Pro Shop.

Among other uses, the panel believes the current market may support the following retail, entertainment, and restaurant options: one or two pioneering coffee shops or family-oriented chain restaurants and one higher-quality, sit-down, family-style restaurant; 20,000 square feet of small retail stores, including clothing, shoes, sporting goods, hardware, and convenience; a 40,000- to 50,000-square-foot full-service supermarket; and a family bowling center.

Office Market

Pascagoula does not have significant demand for new office development. Currently, Pascagoula's office market is small and dominated by medical offices supporting Singing River Hospital. A proposed three-story medical office building will absorb the hospital's expected growth over the next five to seven years. Northrop Grumman's need for additional office space will likely be accommodated at Naval Homeport Pascagoula on Singing River Island.

The Live Oak Site may be able to capture a small market for small office uses, likely less than 1,000 square feet. As the hospital continues to expand in the future, so too will the demand for medical support and physician office space.

Hospitality Market

The strong corporate presence in Pascagoula may offer demand for hospitality not currently met in the local market. Before Hurricane Katrina, local hotel occupancy rates were less than 55 percent. Since August 2005, occupancy levels have risen to 72 percent, still less than the occupancy rates of 70 to 75 percent typically expected for investors to consider new hotel development. The rise in hotel occupancy is largely a function of increased demands from displaced residents and contractors. The low hotel occupancy rate may reflect a limited supply of business-quality hotel rooms in Pascagoula rather than a lack of demand. Residents reported that business travelers often stay in Mobile, Alabama.

In the panel's opinion, market demand may exist for a 100- to 120-room, limited-service, business-class or extended-stay hotel with access to meeting and small conference facilities to support local corporations and their visitors.

Civic and Community Uses

The Live Oak Site offers significant potential for new civic amenities, as the city planned when it leased the site from the LIFE Foundation. Residents reported that Pascagoula needs more community amenities—including parks, recreational facilities, and community centers—to compete

with surrounding areas for residents and businesses. Improved amenities will also help the city reshape its image into that of a hardworking community that reinvests in quality-of-life amenities for its residents and visitors.

On the basis of its interviews with residents and city officials, the panel suggests that the site could accommodate the following community amenities: a 50,000- to 60,000-square-foot community and performing-arts center with a center for seniors and meeting space; a 40,000-square-foot YMCA or fitness center; and a family bowling center.

Development and Design

The panel's recommended development and design strategies for the site reflect a combination of market analysis and reported community goals for the site. To formulate a development program for the site, the panel studied the market potential and asked the following questions:

- Is the proposed use or mix of uses physically possible on the site?
- Is the proposed use or mix of uses legally permissible under current zoning?
- Is the proposed use or mix of uses financially feasible?
- Does it maximize the economic potential of the subject site?

The panel's recommendations answer these questions and encourage the development of a commu-

nity center, retail, and new housing options requested by the community. Additionally, the panel's recommendations assume that the acquisition of frontage parcels along U.S. Highway 90 and Market Street are critical to the success of development on the site.

Core Issues

The proposed development program is designed to address fundamental issues that affect Pascagoula's efforts to attract new residents and improve its quality of life. Key challenges are discussed briefly in the following sections.

Housing and Retail Dilemma

Potential residents select other communities because Pascagoula lacks shopping, dining, entertainment, and cultural activities. Businesses that provide those services, including restaurants, movie theaters, specialty clothing stores, fitness centers, national specialty retailers, and hotel operators, do not locate in Pascagoula because the local market does not appear to support them. A higher-end, mixed-use residential and retail development would address both issues at the same time, but the existing HUD restriction on the site limits the city's ability to pursue this option easily.

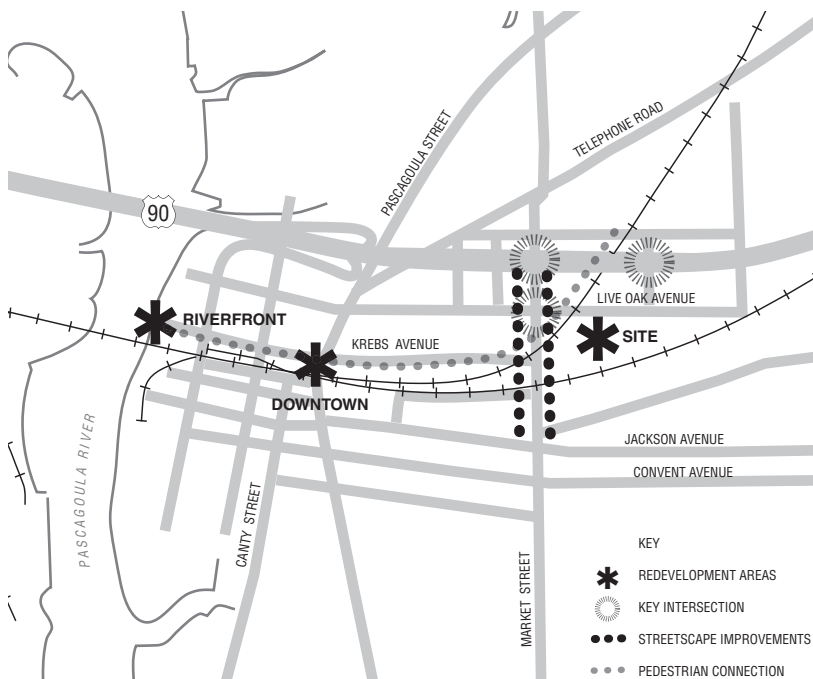
Limited Cultural Venues

Nearly every resident interviewed expressed a demand for community and cultural facilities, and corporate representatives expressed a need for meeting and conference venues. At present, residents drive to Mobile, Alabama, for dance recitals and other community events. The city should work to accommodate this demand by creating a community center at the Live Oak Site, the riverfront, or downtown.

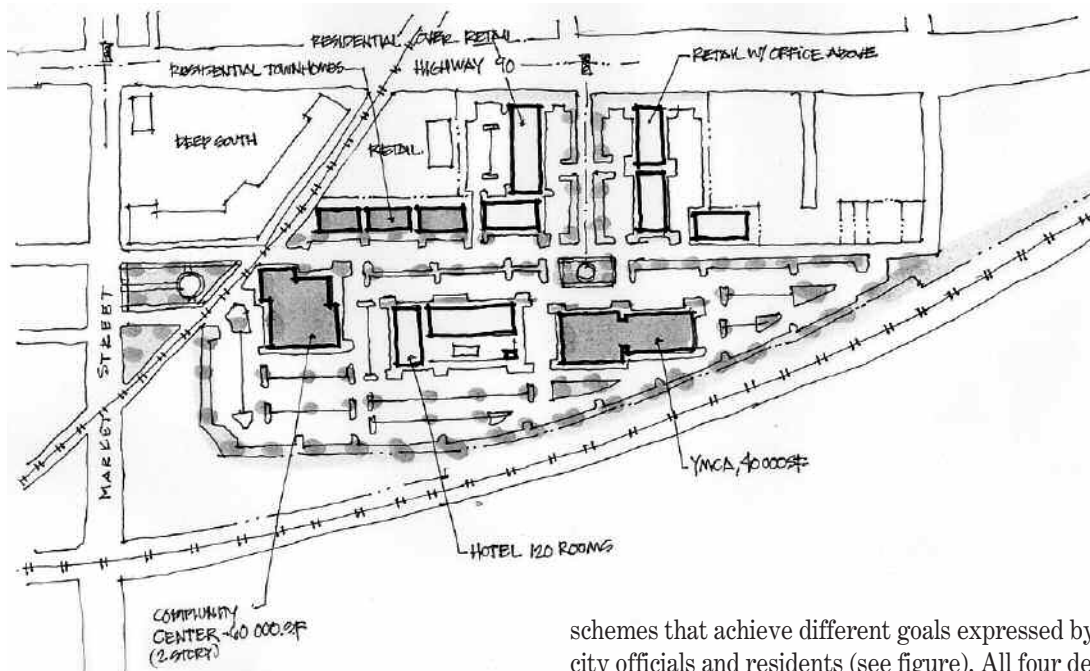
Jobs and Housing Imbalance

Pascagoula is home to nearly twice as many jobs as residents. Future development efforts in the city should work to retain commuters. In addition,

Pedestrian and street-scape improvements will connect the Live Oak Site to downtown and the riverfront areas.



Scheme I.



Pascagoula should create new amenities to retain short-term business visitors who often stay in business hotels in Mobile, Alabama.

Connections

Successful development will require that the city improve the Live Oak Site's connections to U.S. Highway 90, Market Street, and the revitalized riverfront and downtown. Connectivity improvements should include the following:

- Signalized intersection at U.S. Highway 90 and Verdon Street;
- Signage and streetscape enhancements at Live Oak Street and Market Street;
- Inclusion of frontage lots along U.S. Highway 90 and Market Street into the project area, as appropriate; and
- Attractive public plaza or gateway feature on Market Street south of Live Oak Street.

Development Scenarios

A single development proposal cannot address all the issues and opportunities described. Therefore, the panel offers four different development

schemes that achieve different goals expressed by city officials and residents (see figure). All four development schemes suggest the acquisition of front parcels along U.S. Highway 90 on both sides of Verdon Street and frontage parcels along Market Street between Live Oak Street and the railroad line that borders the site's southern edge. The city should select a scheme that will complement its development strategies for the riverfront and downtown.

Scheme I

Scheme I will provide major new community amenities and mixed-use retail, residential, and office along Verdon Street at its intersection with U.S. Highway 90. Scheme I locates all residential development north of Live Oak Street to comply with the HUD restriction.

North of Live Oak Street, Scheme I proposes:

- 40,000 square feet of retail, 20,000 square feet on each side of Verdon Street;
- 20,000 square feet (20 units) of residential over retail east of Verdon Street;
- 20,000 square feet of office over retail west of Verdon Street; and
- 27,000 square feet (15 units) of townhouses north of Live Oak Street.

Aggregate Square Footage for Development Schemes

| Types of Uses | Scheme I (Square Feet) | Scheme II (Square Feet) | Scheme III (Square Feet) | Scheme IV (Square Feet) |
|---------------------------------|---------------------------|----------------------------|-----------------------------|----------------------------|
| Hospitality Use | | | | |
| Hotel | 89,000 (120 rooms) | 89,000 (120 rooms) | 0 | 0 |
| Total Hospitality | 89,000 | 89,000 | 0 | 0 |
| Retail Use | | | | |
| Retail | 40,000 | 40,000 | 40,000 | 44,400 |
| Retail/Flex | 0 | 42,250 | 0 | 0 |
| Big Box/Supermarket | 0 | 0 | 0 | 160,000 |
| Total Retail | 40,000 | 82,250 | 40,000 | 204,400 |
| Residential Use | | | | |
| Residential over Retail | 20,000 | 20,000 | 0 | 0 |
| Multifamily Residential | 0 | 0 | 110,000 (110 Units) | 0 |
| Residential over Retail/Flex | 0 | 21,125 | 0 | 0 |
| Townhouses | 27,000 (15 units) | 27,000 (15 units) | 0 | 27,000 (15 units) |
| Total Residential | 47,000 | 68,125 | 110,000 | 27,000 |
| Office Use | | | | |
| Office over Retail | 20,000 | 20,000 | 40,000 | 0 |
| Total Office | 20,000 | 20,000 | 40,000 | 0 |
| Community Use | | | | |
| Community Center* | 60,000 | 60,000 | 60,000 | 0 |
| YMCA Fitness Center | 40,000 | 0 | 0 | 0 |
| Total Community | 100,000 | 60,000 | 60,000 | 0 |
| Development Scheme Total | 296,000 | 319,375 | 250,000 | 231,400 |

* with conference space.

South of Live Oak Street, Scheme I proposes:

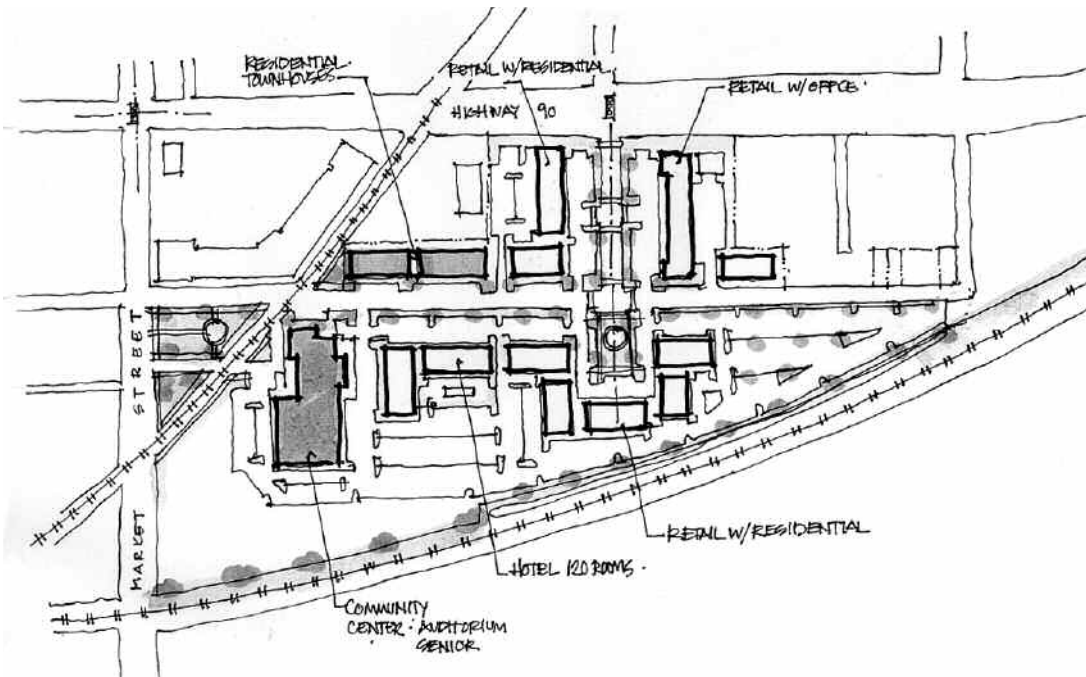
- A 60,000-square-foot community center with conference facilities;
- An 89,000-square-foot hotel (120 rooms); and
- A 40,000-square-foot YMCA.

Scheme II

Scheme II increases the mixed-use component by including mixed-use residential, office, and retail south of Live Oak Street. This scheme will require amendment of the existing HUD restriction.

North of Live Oak Street, Scheme II proposes:

Scheme II.



- 40,000 square feet of retail, 20,000 square feet on each side of Verdon Street;
- 20,000 square feet (20 units) of residential over retail east of Verdon Street;
- 20,000 square feet of office over retail west of Verdon Street; and
- 27,000 square feet (15 units) of townhouses north of Live Oak Street.

South of Live Oak Street, Scheme II proposes:

- A 60,000-square-foot community center with conference facilities;
- An 89,000-square-foot hotel (120 rooms);
- 42,250 square feet of retail/flex space; and
- 21,125 square feet (21 units) of residential over the retail/flex space.

Scheme III

Scheme III emphasizes residential, combines the entire site, and eliminates the current line of Live Oak Street. This option assumes that the hotel may be located at the riverfront site. This scheme will require amendment of the existing HUD restriction.

Scheme III proposes:

- 40,000 square feet of retail, 20,000 square feet on each side of Verdon Street;
- 40,000 square feet of office, 20,000 over retail on each side of Verdon Street;
- 110,000 square feet (110 units) of multifamily residential; and
- A 60,000-square-foot community center.

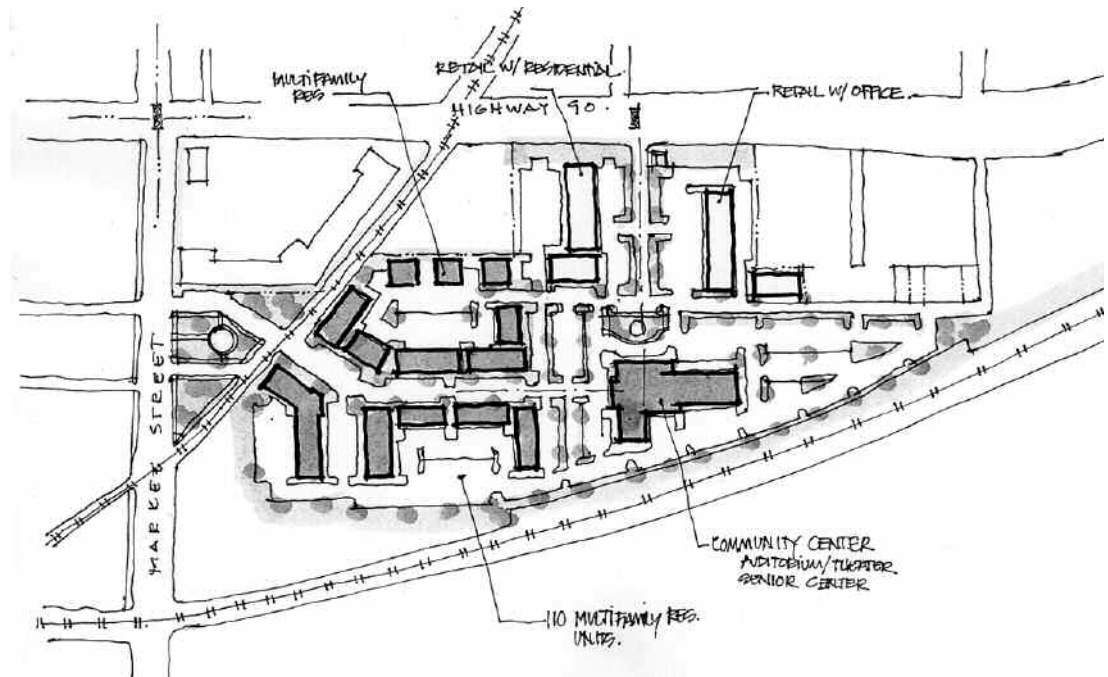
Scheme IV

Scheme IV creates significant new retail amenities and emphasizes the city's sales tax revenues. This scheme combines the entire site but does not require amendment of the existing HUD restriction.

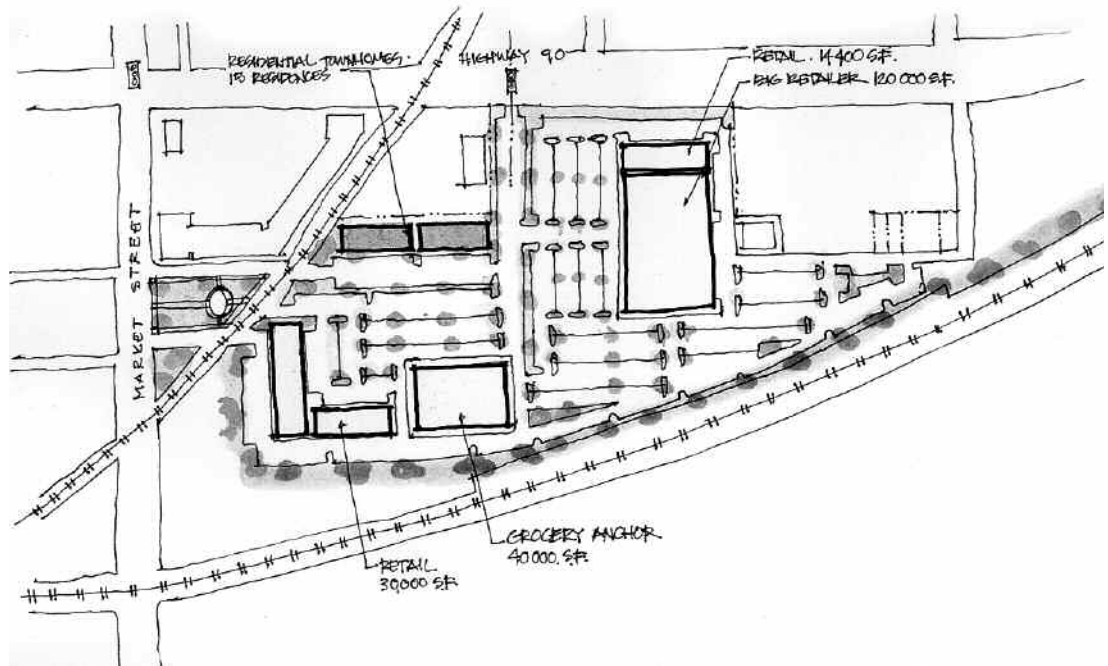
Scheme IV proposes:

- A 120,000-square-foot big-box retailer;
- 14,400 square feet of adjacent retail;
- A 40,000-square-foot national grocery store;
- 30,000 square feet of specialty retail; and
- 27,000 square feet (15 units) of townhouses.

Scheme III.



Scheme IV.



The city should select a development program for the Live Oak Site in conjunction with programs for the riverfront and downtown. Together, the three areas should create the new amenities requested by the community and supported by the

market. Distribution of uses among the sites is best determined on the basis of available funding, interested investors, and community feedback.

Implementation

The city must overcome the same challenges in developing the Live Oak Site as at the riverfront and downtown sites. The city's efforts to improve the quality of life in Pascagoula by creating new housing, retail, recreation, and public amenities have reached a critical point. City staff and officials have done an excellent job leading efforts to secure funding, establish development priorities, and advance projects. To successfully complete projects, the city needs to better publicize projects, develop partnerships with private developers, and create additional staff positions to manage and promote development activities.

Ownership Options for the Live Oak Site

The panel recommends that the city work with the LIFE Foundation, current owner of the site, to develop the site rather than pursue a Request for Proposal (RFP) process at this time. The LIFE Foundation has expressed interest in developing both public and private uses at the site and is willing to consider transferring land for public uses to the city or another public or nonprofit entity. The LIFE Foundation has also expressed willingness to dedicate 50 percent of the net income generated by private development on the site to support public uses on the site and the other 50 percent to other charitable endeavors in the city.

The city should work with the LIFE Foundation to identify a development scheme and negotiate a development agreement. The city and the foundation should mutually determine whether a third-party developer with specialized expertise should be engaged to develop the project. If the city and the foundation are unable to reach a development agreement, the city and the foundation should pursue a private developer using an RFP process. ULI's *Ten Principles for Successful Public/Private Partnerships* may provide helpful guidance.

The city and the foundation should also consider hiring an expert in public/private partnerships to help structure the development agreement and prepare enabling legislation. An agreement that extends beyond the term of current officeholders will almost certainly require enabling legislation at the state level.

Funding Public Improvements

Successful development of the Live Oak Site will require significant public and private investment. The city's investment may include infrastructure and development of community facilities. The panel recommends the following options to fund public components:

- *Mississippi Development Authority (MDA) Community Revitalization Grant*: The city's Round 3 grant application to the MDA requests \$3.21 million for design, demolition and remediation, community facilities construction, and RFP issuance at the Live Oak Site. The MDA awarded \$1.8 million for the construction of a community facility at the Live Oak Site in Round 1. The city reports that an additional \$1.4 million has been approved but not yet awarded. The grant applications are structured to allow some flexibility in terms of what type of facilities will be constructed.
- *Tax increment financing (TIF)*: The city can create a TIF district to finance the development of the infrastructure and public facilities, including the community center. The district should include the site and adjoining properties along U.S. Highway 90 and Market Street. Through TIF, any increase in property taxes and sales taxes within the district would be committed to repay bond financing for the public improvements. Using TIF may affect the preferred development program for the site. Because TIF relies on increases in tax revenue to support

debt payments, tax-exempt uses, such as a YMCA, would be less preferable because they will not generate additional tax revenue. If TIF is used, the city may wish to pursue taxable uses. For instance, TIF may work most effectively with development schemes II, III, and IV.

- *Gulf Opportunity (GO) Zone Bonds:* The 2005 Gulf Opportunity Zone Act established bond provisions and tax incentives, including bonus depreciation, to encourage rapid rebuilding of areas along the Gulf Coast affected by Hurricane Katrina. Businesses along the Gulf Coast have until December 31, 2010, to benefit from bonus depreciation or to borrow using tax-exempt bonds enabled under the act. GO Zone Bonds could provide a vital source of low-cost debt to construct new retail, office, and residential development on the Live Oak Site.
- *Salvation Army Ray and Joan Kroc Community Center Program:* Joan Kroc, widow of McDonald's entrepreneur Ray Kroc, donated \$1.5 billion to the Salvation Army to construct and endow community centers. Although the Salvation Army is not currently accepting more applications in the Southeast, the city should monitor the program and submit an application should the program reopen. The Kroc program would support the construction and operation of the proposed community center.

The city should also explore other grant opportunities and work with local financial institutions to assist them in achieving their community reinvestment targets.

Development and Business Incentives

To improve Pascagoula's competitive position in attracting businesses and development, the city should assist potential partners in securing available incentives. The city should catalog incentives available at the state and federal level and build relationships with the agencies and organizations that administer the incentive programs. Specifically, the panel recommends that the city explore further the state's tax-exempt bond program and accelerated depreciation program, the loan and other programs offered by the federal Small Business Administration, and the assistance programs

offered by the U.S. Department of Commerce's Economic Development Administration.

The panel particularly encourages the city to explore the possibilities offered by New Markets Tax Credits. The New Markets Tax Credits Program is designed to spur business creation and growth in depressed areas. By making an investment in an eligible community development entity (CDE), individual and corporate investors can receive a credit against their federal income taxes worth more than 30 percent of the amount invested over the seven-year credit allowance period. Eligible CDEs include for-profit community development corporations, Small Business Administration-licensed New Markets venture capital companies, and Specialized Small Business Investment Companies. The city may be able to identify a certified CDE to serve as a partner on the project.

Marketing

The panel recommends that the city better market its current development efforts to residents and potential investors. In interviews, the panel learned that many residents are not aware of the city's success in securing significant grant funds or its efforts to redevelop the riverfront, the downtown, and the Live Oak Site. The panel recommends the following specific steps to increase awareness of Pascagoula's development efforts:

- *Conduct market research:* The city should contract a market research company to conduct detailed supply- and demand-side market analysis for retail, office, hotel, and residential uses on the site and other redevelopment areas in the city. In its recent report for the riverfront project, Economics Research Associates recommended that the city partner with local commercial brokers to create a system to track trends in local and regional office and retail markets. The panel supports this recommendation.
- *Establish an identity:* The city should establish a strong identity, including graphic standards, taglines, and other marketing devices to promote city assets and amenities to residents, retailers, and potential investors throughout the Gulf Coast. A marketing or public relations consultant could help the city conduct an audit of

its current identity and make recommendations for improvement.

- *Market to residents, visitors, and businesses:* Many of Pascagoula's residents are not aware of the city's robust efforts to improve the quality of life and attract new development. The city should take advantage of school mailings, posters, public meetings, utility bill inserts, and presentations at local civic organizations to promote progress on key projects and encourage civic enthusiasm for Pascagoula's future.
- *Improve city website and marketing materials:* The city should enhance its website to provide updated news, project information, and planning goals to citizens, visitors, and potential investors. As a minimum, the website should include a list of active projects, grants received and applied for, timelines for development, dates and locations of public meetings, and contacts for projects.
- *Attend industry conferences:* The city should continue to raise Pascagoula's profile to potential investors by regularly attending regional economic development conference. Particularly, the city should attend and consider presenting at the International Conference of Shopping Centers (ICSC) Conference, "Passion Team: The Rebuilding of the Gulf South," scheduled to be held October 14, 2007, in New Orleans, and the ICSC Southeast Conference scheduled for October 22–24, 2007, in Atlanta, Georgia.

Increase City Staffing

Since Hurricane Katrina, city staff has done an outstanding job identifying opportunities for new development, planning projects, and seeking funds for implementation. The scale of work that must be accomplished to realize the projects currently in planning exceeds the capacity of the existing staff. The panel encourages the city to create the following positions and committees to advance the projects currently in planning through implementation:

- **Economic Development Director:** The economic development director should be responsible for overseeing redevelopment projects, marketing to potential investors, and attracting new development.
- **Grant Writer:** The grant writer should research potential grants, write grant applications, collaborate with other city staff on fundraising strategies, monitor grants, and write final reports.
- **Public Information Officer/Business Liaison:** The public information officer should implement all marketing and outreach efforts, including the identity development campaign, resident marketing, the website, and industry conferences.
- **Marketing Advisory Committee:** As recommended in the city's strategic plan, the Marketing Advisory Committee should be composed of local residents and business stakeholders and should advise the city on marketing efforts.

Engage the Community

Pascagoula has an incredible resource in the strong businesses and dedicated residents located within the city. The city can advance future development efforts by engaging these stakeholders. In particular, the city should work with major employers to make financial commitments to the community center and hotel; partner with local business and real estate organizations on market research and business recruitment; and work with residents to cultivate, engage, and grow leaders in neighborhoods. By engaging a broader cross section of the community, the city can increase civic ownership of redevelopment and revitalization efforts and improve the sense of teamwork.

Conclusion

Pascagoula's determination to rebuild a better city following the devastation of Hurricane Katrina demonstrates the civic pride and tenacity that will make the city a greater place to live. The city must take steps to increase its staff capacity, improve its marketing and communication, and identify sufficient funds to realize the development goals it has set for itself. By engaging a broader section of the community in the process and identifying development strategies that reflect the community's goals, the city can continue to increase civic pride and make revitalization a rallying point for all residents of Pascagoula.

The panel appreciated the opportunity to learn more about Pascagoula and advise the city on future development strategies. As the Gulf Coast continues to redevelop and evolve, Pascagoula can be in an excellent position to capture new development; continue the growth of its remarkable industrial base; and reemerge as a location of choice to live, work, and play on the Gulf Coast. To achieve those goals, the city must focus on long-term results and provide the staff and funds needed to make the dreams a reality.

Architect's perspective of
the Live Oak Site from
U.S. Highway 90.



About the Panel

Laurin McCracken

*Panel Chair
Fort Worth, Texas*

McCracken is the chief marketing officer of Carter & Burgess, Inc., a highly diversified engineering and architectural practice headquartered in Fort Worth, Texas. Carter & Burgess has a staff of more than 3,200, delivering services from 30 offices across the country.

Formerly, McCracken was the marketing and strategies officer for Looney Ricks Kiss Architects, headquartered in Memphis. Prior to that, he was with the Global Design Alliance, HNTB, and RTKL.

McCracken is a registered architect and a registered interior designer. He holds bachelor of arts and bachelor of architecture degrees from Rice University and a master's degree in architecture and urban planning from Princeton University.

He is a life member of the Advisory Board of the School of Architecture, University of Texas at Austin, and a member of the Advisory Board of the School of Architecture, Auburn University. He is on the Editorial Advisory Board of *Building Design & Construction* magazine.

A former national president of the Society for Marketing Professional Services, McCracken is a Fellow of the society and the recipient of the society's prestigious Marketing Achievement Award. He is a member of CoreNet Global, where he holds the designation of Master of Corporate Real Estate. He is a full member of the Urban Land Institute, where he is active on several national committees and the Urban Development, Mixed-Use Council.

McCracken is an award-winning watercolorist, whose paintings have been included in juried shows across the country. He is a signature member of the National Watercolor Society, the Southern Watercolor Society, the Watercolor Society of Alabama, the Philadelphia Watercolor Society and the

Texas Watercolor Society. His work has been published in *American Artist*, *The Artist's Magazine*, *Watercolor*, *Watercolor Magic*, *Drawings*, and *International Artist*. His paintings can be viewed at www.lauringallery.com.

Russell A. Archambault

Alexandria, Virginia

Archambault is vice president and principal of RKG Associates, Inc., located in Alexandria, Virginia. He has worked in the field of community and economic development for the past 15 years, and before joining RKG Associates in 1994, he was employed as a senior project manager for the Virginia Tech Economic Development Assistance Center in Blacksburg, Virginia, and as director of community development for the city of Laconia, New Hampshire.

Archambault specializes in providing redevelopment, strategic planning, and economic development consulting to a wide variety of clients in the public and private sectors. He has particular expertise in the area of tax-base management strategies for municipalities, downtown urban revitalization, real estate market research, and economic impact analyses.

Archambault holds a master's degree in urban and regional planning from Virginia Tech in Blacksburg, Virginia, and a bachelor's degree in public management from Plymouth State College in New Hampshire.

Hal Miksch

Delaware, Ohio

In his most recent position as redevelopment manager for the city of Oakland, Florida, Miksch oversaw revitalization efforts in the city's 1,000-acre Community Redevelopment Area (CRA). His responsibilities included creation of a Master Plan

for the CRA, working with developers and property owners, and completing a Broward County Redevelopment Capital Program grant application in the amount of \$25 million to implement Phase I of the CRA Plan.

Before joining Oakland Park, Miksch served as executive director of Wilton Manors (Florida) Main Street, Inc. In that position, he oversaw the revitalization of Wilton Manors' core commercial district. His responsibilities included planning, organizing, fundraising, and directing a team of more than 200 volunteers in the areas of arts, design, economic development, and organization.

Prior to relocating to Florida, Miksch was president of First Avenues, LLC, a Columbus, Ohio-based firm that specialized in developing and implementing comprehensive plans to revitalize downtowns and older urban commercial districts. In 2000, the company led a team of professionals in developing comprehensive strategies to revitalize two commercial districts in each of ten inner-ring suburbs of Cleveland. This groundbreaking project was featured in William Hudnut's recent book on inner-ring suburbs, *Halfway to Everywhere*.

Having worked primarily as a consultant to property owners and developers for several years before forming First Avenues, Miksch brings an understanding of the economic and strategic realities of development to the urban planning process. He has delivered numerous presentations regarding retail trends and urban planning issues to industry and community groups nationwide. As a member of Urban Land Institute and a noted expert on urban planning issues, Miksch has been invited to serve on a number of expert panels assisting other communities with urban planning challenges they are facing. He holds a BS in business administration from The Ohio State University.

Jim Ratkovich

Pasadena, California

Ratkovich has served as president and chief executive officer of James Ratkovich & Associates (JRA) since its inception in 1991. Prior to forming JRA, Ratkovich had the privilege of working under Wayne Ratkovich at the Ratkovich Company for

several years. During that period the younger Ratkovich was exposed to and partnered in projects ranging from urban redevelopment to historic preservation and mixed use, including retail, office, and industrial properties.

JRA's dedicated team of professionals has historic development and finance expertise in numerous product types, including for-sale residential, office, industrial, and retail, as well as master-planned communities. Currently, JRA is focused on the acquisition and development of luxury condominium, condominium-hotel, and mixed-use opportunities in the western continental states, Mexico, and Hawaii.

Based in Pasadena, California, JRA developed the Pacific, the beachfront luxury high-rise condominium project in Long Beach that helped ignite a renaissance of the downtown area, and will be breaking ground soon on the Edgewater on Ocean, a 20-story luxury high-rise condominium project at Pine and Ocean in downtown Long Beach.

JRA has been active in Hawaii for over a decade in residential, office, and industrial development and redevelopment. Through its capital relationships, JRA has provided over \$500 million in financing to developments in the islands. JRA is currently a development partner and investor in Wailea Beach Villas, a \$270 million luxury oceanfront condominium project in Maui's Wailea Beach Resort, and recently acquired a 30-acre oceanfront site on the Kohala Coast of the Big Island that is fully entitled for a 300-room hotel and 500 condominiums. Currently, plans are being developed for an \$800 million oceanfront condominium-hotel property with branded luxury residential condominiums.

Ratkovich serves as assistant chair for the Urban Land Institute's Urban Design, Mixed-Use, (Green) Council and is a member of the International Council of Shopping Centers and the National Association of Real Estate Appraisers. He currently holds a Certified General Appraiser's license in the state of California as well as a California State broker's license.

Mike Sullivan

Jacksonville, Florida

As a principal of the firm, Sullivan champions the mission of Looney Ricks Kiss, which is to provide innovative problem solutions and service to its clients while creating places of use and significance that contribute to the built environment. To each project with which he is involved, Sullivan brings vision for maximizing both the site and the user's experience; and he seeks to enhance the quality of each project through its program, its built form, and its context. He has practiced in such great traditional cities as New Orleans, Savannah, and Nantucket.

During his 18 years of experience at Looney Ricks Kiss, Sullivan has served as project designer, project architect, or project manager on most of the firm's major projects. His expertise is in "place making" and "urban design" for high-density, mixed-use projects. He also directs and leads design teams in developing visioning statements, design guidelines, and pattern books for place-making and community-design clients. Sullivan is the managing principal of the Looney Ricks Kiss Jacksonville, Florida, studio.

