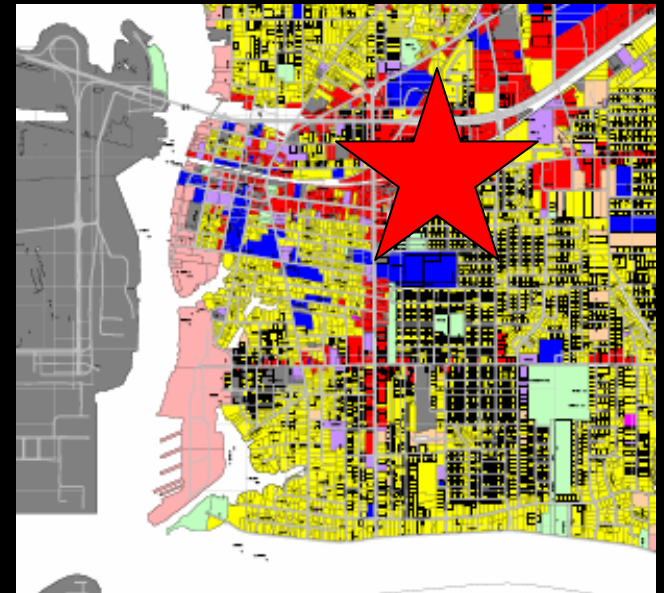


ULI ADVISORY SERVICES PANEL Final Report

Live Oak Site
Pascagoula, MS
June 18-21, 2007



Live Oak Site Advisory Services Panel
Pascagoula, Mississippi



The Urban
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Introduction

Laurin McCracken AIA
Carter & Burgess

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Pascagoula, Mississippi



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ULI—The Urban Land Institute

ULI—the Urban Land Institute is a nonprofit research and education organization.

Mission:

Promote leadership in the responsible use of land to create and sustain thriving communities worldwide.



Advisory Services

Assembles teams of land use professionals to make strategic recommendations on land use challenges.

- Program started in 1947
- 20-30 panels each year
- Teams composed of ULI members
- Panels organized across the country



The Panel Process

- Define the scope of the assignment
- Prepare background briefing materials
- Assemble the expert team
- Tour the site
- Interview stakeholders
- Debate and form recommendations
- Produce a final report



Live Oak Site Advisory Services Panel
Pascagoula, Mississippi



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The Panel

Chair:	Laurin McCracken
Market:	Russell Archambault
Development:	Jim Ratkovich
Design:	Mike Sullivan
Implementation:	Hal Miksch
ULI Project Director:	Matthew Rader



Sponsors

- The LIFE Foundation
- Fannie Mae Mississippi
- Chevron Texaco Pascagoula Refinery
- Pascagoula Renaissance Committee
- Senator Thad Cochran
- Pascagoula Strategic Plan Steering Committee
- Jackson County Economic Development Foundation
- Singing River Hospital System
- Northrop Grumman Ship Systems
- City of Pascagoula



Special Thanks to:

- Mayor Matthew Avara and City Council
- Liz Ford
- Karen Joplin
- Kay Kell
- John Lewis
- Steve Mitchell
- Betty Bensey



Key Themes

- Pascagoula is a unique place with a special history
- A strong industrial employment base is an asset
- Redevelopment efforts must complement one another



Market Potential

Russell Archambault
RKG Associates

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Site Assets

- Good traffic counts on US 90 and Market Street
- Ready for development
- Central location with convenient access
- Close to waterfront, downtown, and hospital
- No apparent environmental limitations
- Limited national retail and restaurant chain presence
- Unmet demand for middle to higher value housing
- Private development partner (LIFE Foundation)



Site Constraints

- Irregularly shaped lot
- Limited site visibility from US 90 and Market Street
- Very active freight rail line along southern edge
- Negative perceptions of the site and its history
- HUD prohibition on residential development without affordable housing
- Likely to be impacted by shifting demographics
- Not in a location of choice for outside developers



Market Overview

- Residential
- Retail/Restaurant/Entertainment
- Office
- Hospitality
- Civic and Community



Residential Market

- Stagnant historical growth rates
- Low-growth: 95% of new developments in Jackson County are north of I-10
- HUD deed restrictions limit housing options
- Limited diversity of housing types, size, and price
- Few quality of life amenities to attract homebuyers
- Increased insurance rates south of I-10



Residential Opportunities

- Attached single-family townhouses (\$150-200,000)
- Higher quality rental apartments above retail



Retail/Restaurant/Entertainment Market

- Local population is underserved
- Increased insurance rates are driving up retail rents beyond tenant's ability to pay
- Consumers prefer other locations
- Residents desire night-time, family-oriented entertainment



Retail Leakage (5 mile radius)

Grocery Stores	\$23.1 million
Building Materials	\$18.6 million
Department Stores	\$11.9 million
Furniture/Home Furnishings	\$9.5 million
Electronics & Appliances	\$7.8 million
Clothing Stores	\$5.8 million
Sporting Goods/Hobbies	\$4.8 million



Retail/Restaurant/Entertainment

- Home Depot has expressed interest
- Room for at least 1 or 2 national chain restaurants
- Room for at least one higher quality, sit down, family-style restaurant
- Room for up to 20,000 SF of small retail, including: clothing, shoes, sporting goods, and hardware
- Opportunity for a 40,000 to 50,000 SF store full service supermarket
- Bass Pro Shops may be interested in the Gulf market
- Family bowling center



Office Market

- Office market in Pascagoula is very small, mostly driven by medical office supporting the hospital
- Anticipated hospital expansion may create additional demand for physician office space
- A new 3-story medical office building is being proposed to meet existing office demand
- It is reported that Northrop Grumman may occupy Singing River Island for corporate offices



Office Opportunities

- Possibility may exist for small office users, perhaps under 1,000 SF
- As the hospital expands in the future, so will the demand for medical support and physician office space



Hospitality Market

- Pre-Katrina hotel occupancy rates were less than 55%. After, occupancy levels rose to 72%
- 70% to 75% occupancy is typically the threshold for new hotel development
- Occupancy levels may drop as demand decreases from displaced residents and contractors
- Local corporations express a lack of suitable local hotel space for their business visitors
- The City lacks a quality limited service, business class hotel

Hospitality Opportunities

- A 100 to 120 room, business class or “extended stay” hotel with access to meeting and small conferencing facilities may have potential



Civic/Community Market

- Residents report that the city lacks key community amenities that they desire
- A lack of amenities limits the City's ability to compete with other surrounding areas
- Pascagoula needs to reshape its image as a hard working community with a high quality of life
- Residents desire a community center with meeting space, kitchen, expanded senior center, performance center, and fitness center



Civic/Community Opportunities

- 50,000 to 60,000 SF community and performing arts center
- 40,000 SF YMCA/fitness center



Development Strategies

Jim Ratkovich
James Ratkovich Associates

Mike Sullivan
Looney Ricks Kiss

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Highest and Best Use Analysis

Is the proposed use or mix:

- Physically possible on the site?
- Legally permissible under current zoning?
- Financially feasible?
- Maximize the economic potential of the site?



Chicken and Egg Dilemma

- Limited retail, dining, cultural, and entertainment options deter potential residents
- Poor demographics deter lifestyle enhancers from locating in this market
- Mixed use development on the site would address both challenges, BUT
- HUD restrictions may limit possibilities for mixed use



Limited Cultural Venues

- Insufficient venues for community dance recitals, meetings, concerts, plays, and other performing arts.
- Museums, bowling alleys, or skate parks could provide lifestyle enhancement opportunities.

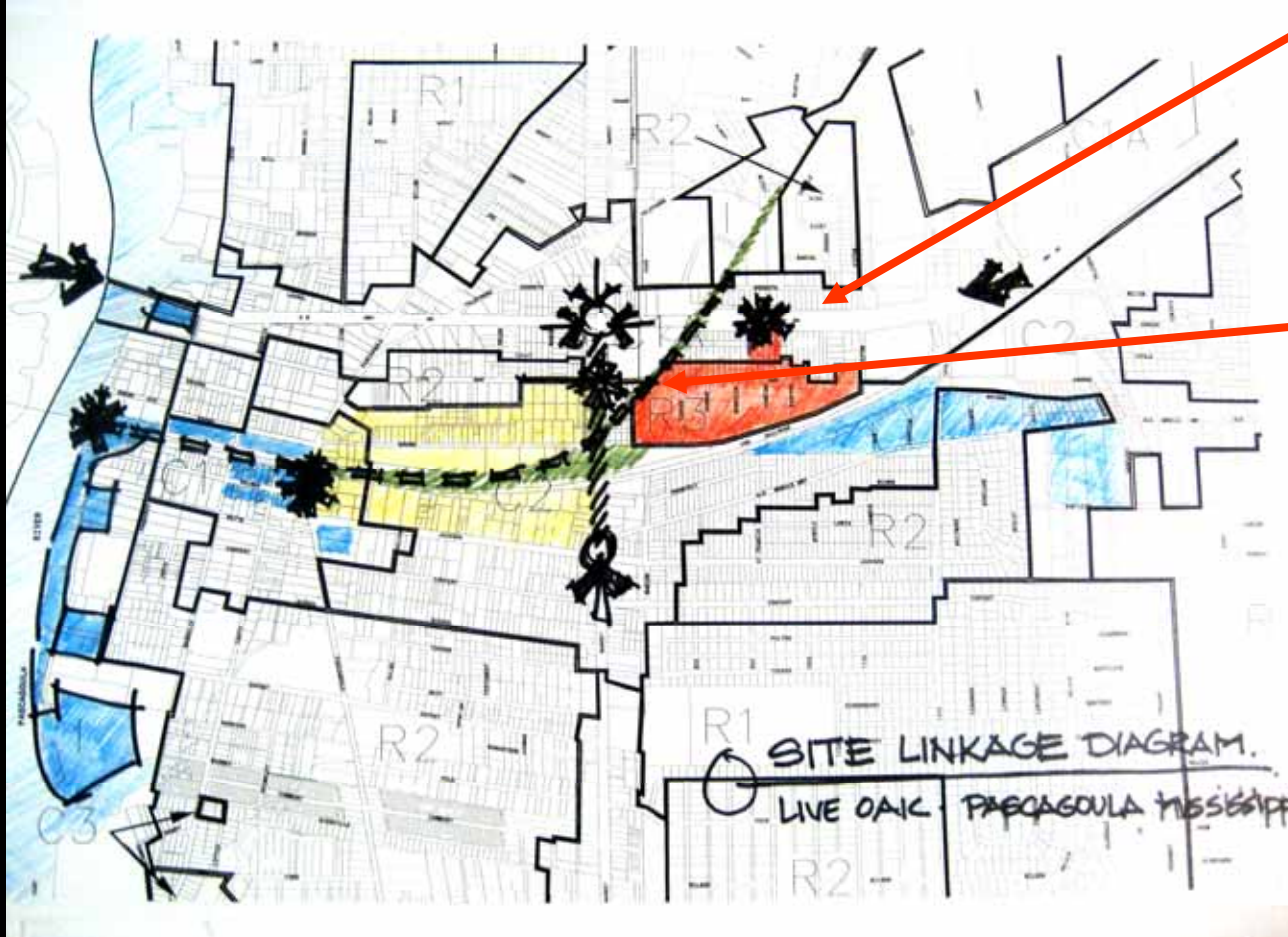


Transient Workforce

- Limited supply of business appropriate hospitality facilities
- Twice as many jobs as residents and more lifestyle market friendly demographics among the community workforce
- Accommodating business travelers will enhance retail sales and sales tax revenue



Site Linkage



New signal at
US 90 and
Verdon Street

Existing signal at
Market and
Live Oak Streets

Development Scheme I

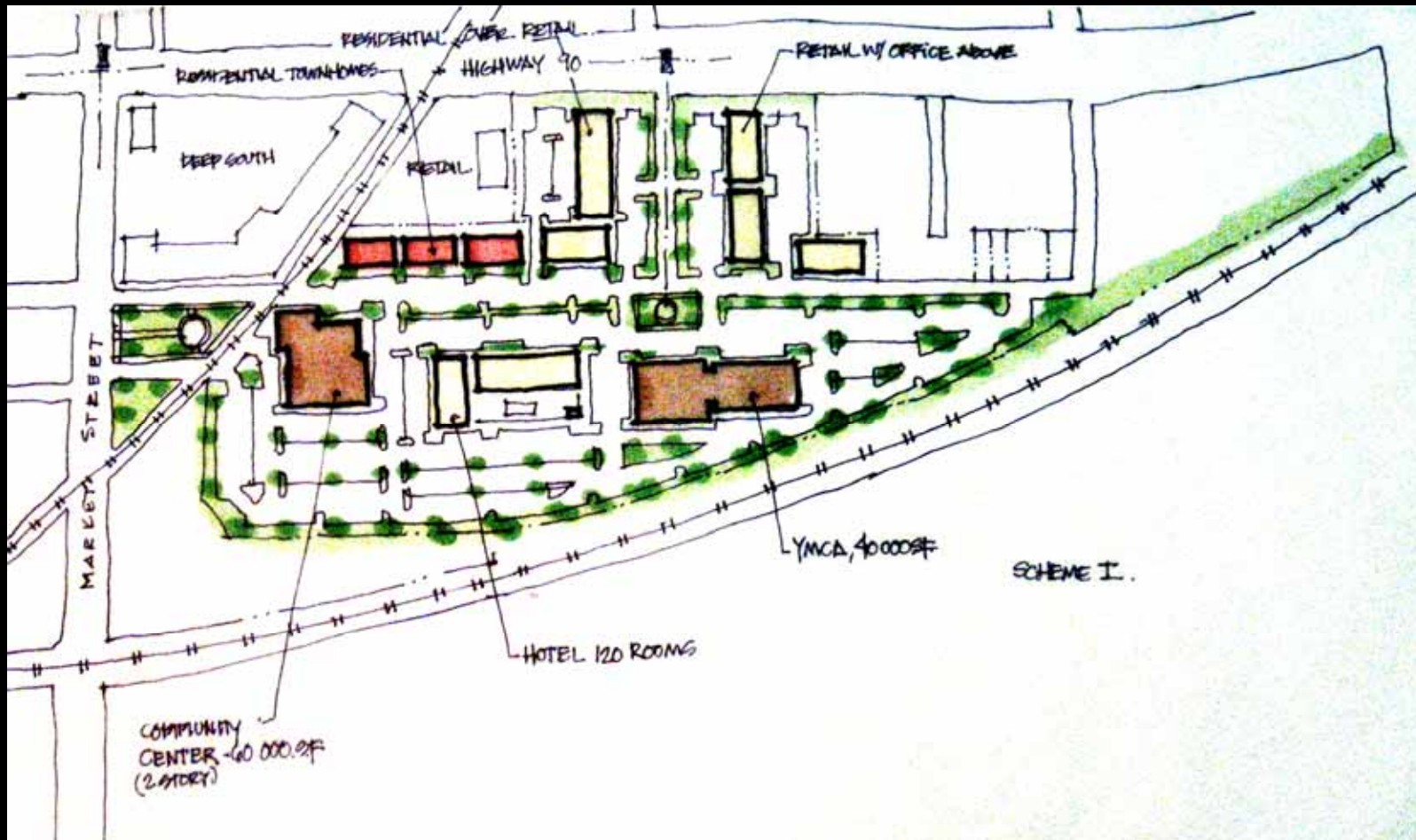
North of Live Oak

- Retail-40,000 SF 20,000 SF on each side of Verdon.
- Residential over Retail- 20 Units, 20,000 SF
- Townhomes-15 units, 27,000 SF
- Office-20,000 SF over Retail (West of Verdon)

South of Live Oak

- Community Center-60,000 SF
- Hotel-120 Rooms, 89,000 SF
- YMCA-40,000 SF

Development Scheme I



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Development Scheme II

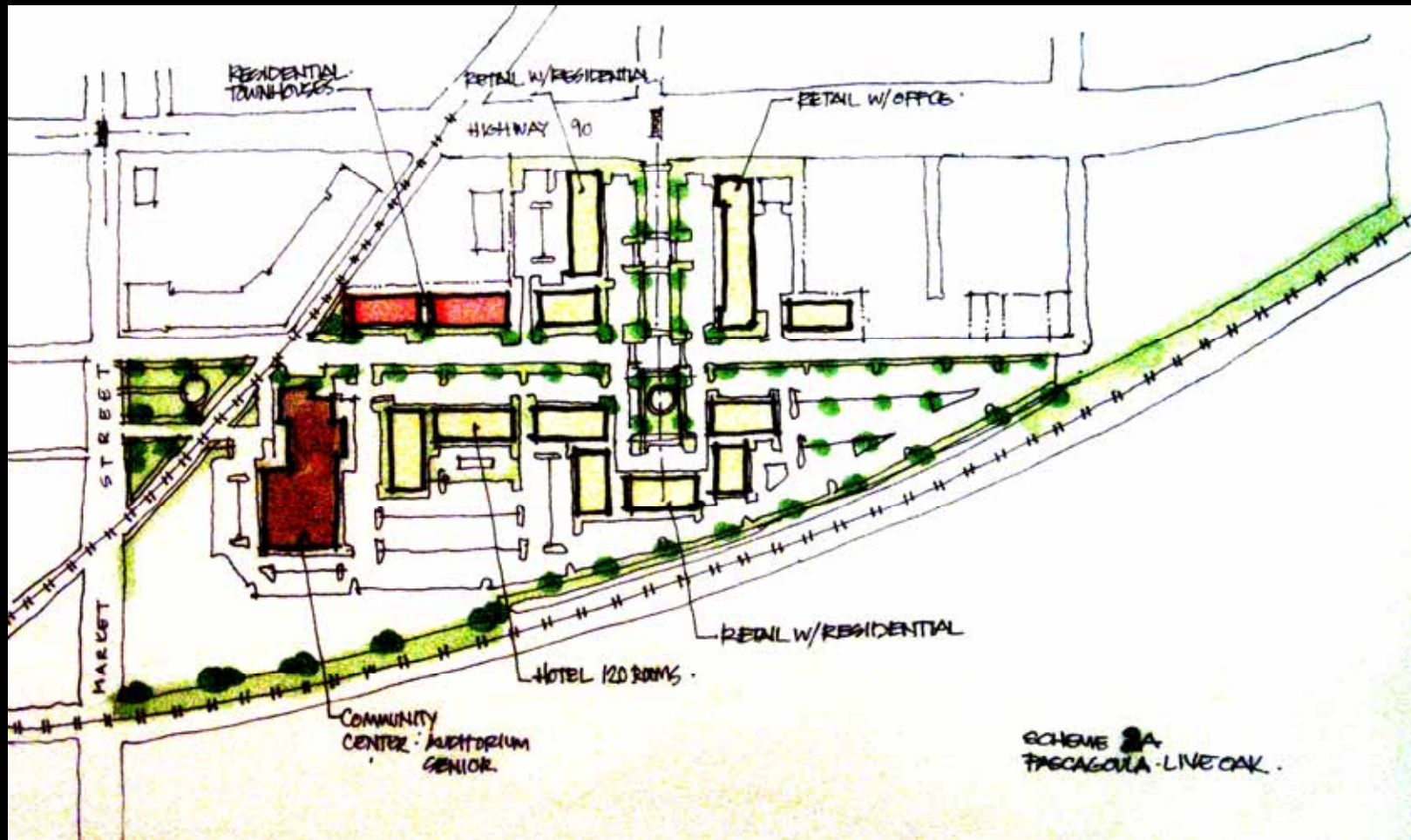
North of Live Oak

- Retail-40,000 SF; 20,000 SF on each side of Verdon.
- Residential over Retail- 20 Units, 20,000 SF
- Townhomes-15 units, 27,000 SF
- Office-20,000 SF over Retail (West of Verdon)

South of Live Oak

- Community Center-60,000 SF
- Hotel-120 Rooms, 89,000 SF
- Retail/Flex-42,250 SF
- Residential over Retail/Flex-21,125 SF

Development Scheme II



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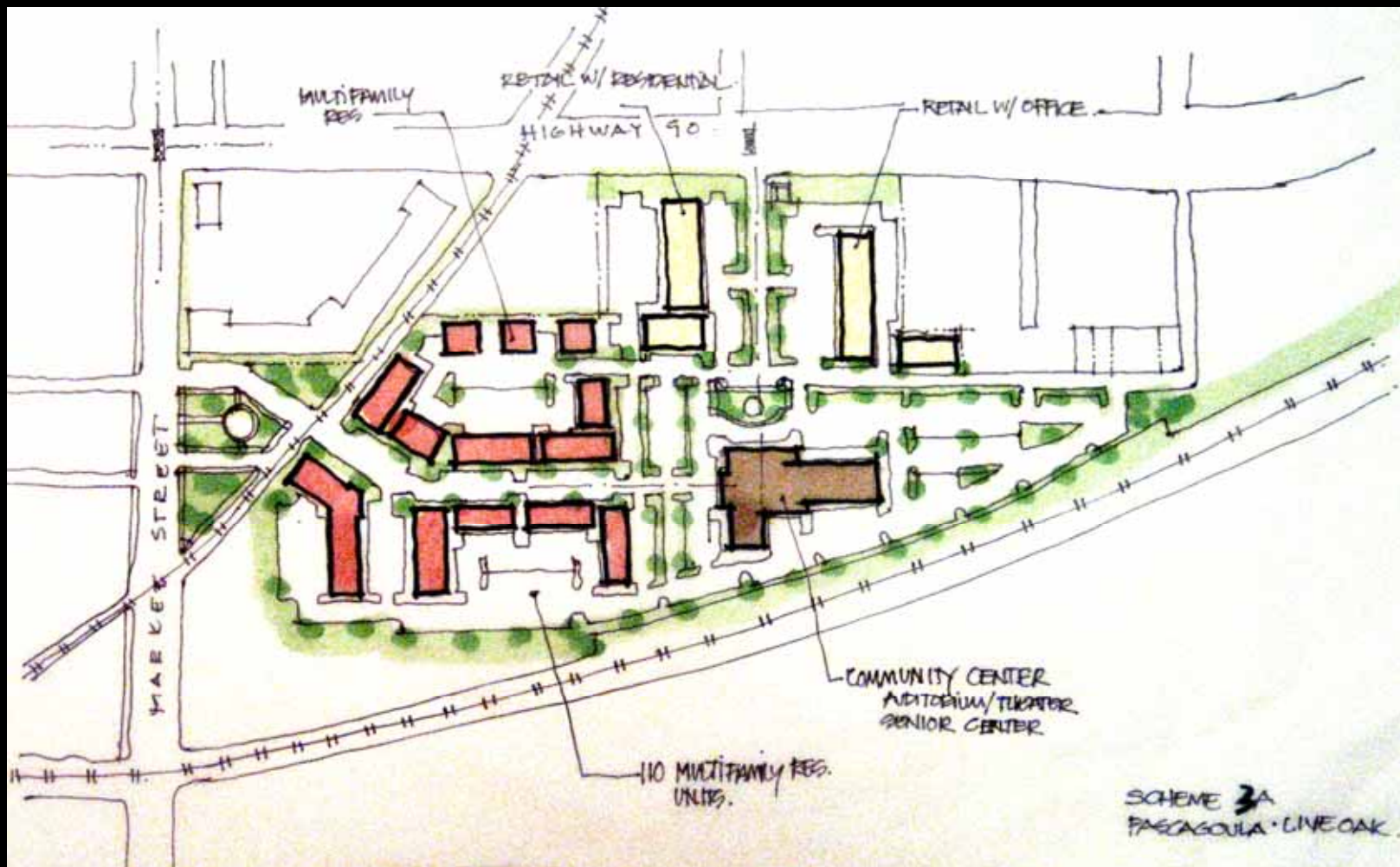
Development Scheme III

Combine Live Oak Site and US 90 Frontage:

- Retail-40,000 SF- (20,000 SF on each side of Verdon).
- Office over Retail- 40,000 SF (20,000 SF on each side of Verdon).
- Residential-110 units, 110,000 SF
- Community Center-60,000 SF



Development Scheme III



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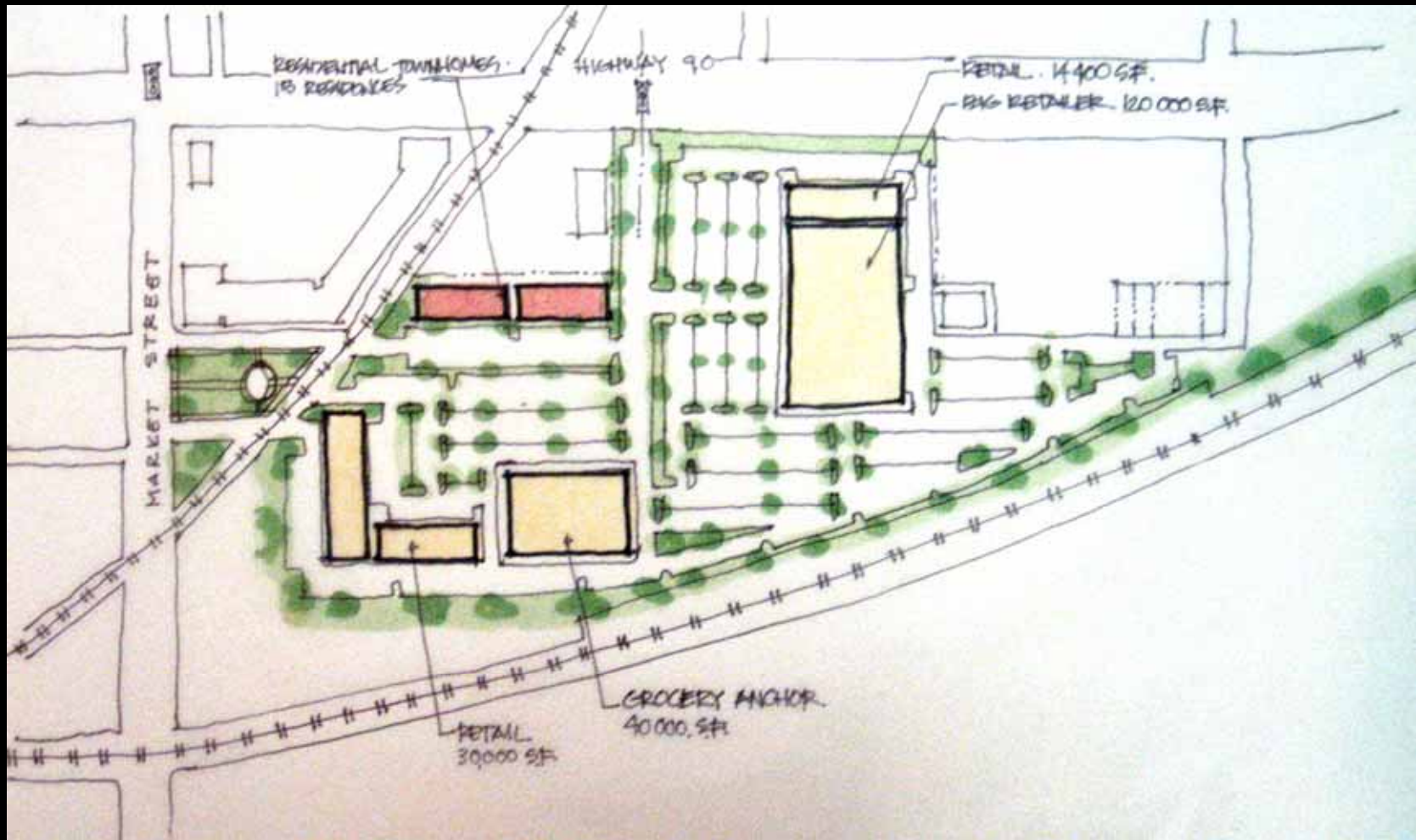
Development Scheme IV

Combine Live Oak Site and US 90 Frontage:

- Big Box Retailer-120,000 SF
- Adjacent Retail-12,000 SF
- National Grocery Store-40,000 SF
- Specialty Retail-32,500 SF



Development Scheme IV



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New Housing Types



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Implementation

Hal Miksch
Redevelopment Consultant

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Development/Ownership Options

- Retail, Residential, and Hotel Development
 - LIFE Foundation as master developer
 - RFQ/RFP
- Community Center Development
 - Kroc Center
 - City of Pascagoula



Public Improvement Funding

- MDA Grants
- Tax Increment Financing
- GO Zone Bonds
- Salvation Army/Kroc Grants
- Other funding sources



Business/Development Incentives

- New Market Tax Credits
- State Incentive Programs
- Small Business Administration (SBA)
- US Economic Development Administration



Marketing

- Conduct market research
- Establish an identity
- Promote to residents, visitors, and businesses
- Improve web site and marketing materials
- Attend industry conferences



Increase Staffing

- Economic Development Director
- Grant Writer(s)
- Public Information Officer
- Marketing Advisory Committee



Community Partnerships

- Secure major employer commitments to community center and hotel
- Partner with business organizations in market research and recruitment
- Identify, grow, and engage leaders in adjacent neighborhoods



Questions?



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