

Gulf Coast Business Council

Research Update

PRESIDENTS NOTES

May 17, 2016

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

- After monthly returns declined year-over-year in December and February (for sales which took place the month before), the Mississippi Gulf Coast reported strong March returns (for February sales).
- Sales tax diversions reported in the first quarter of 2016 exceed prior year returns over the same period by 4.3% for the combined Mississippi Gulf Coast municipal sales tax base.

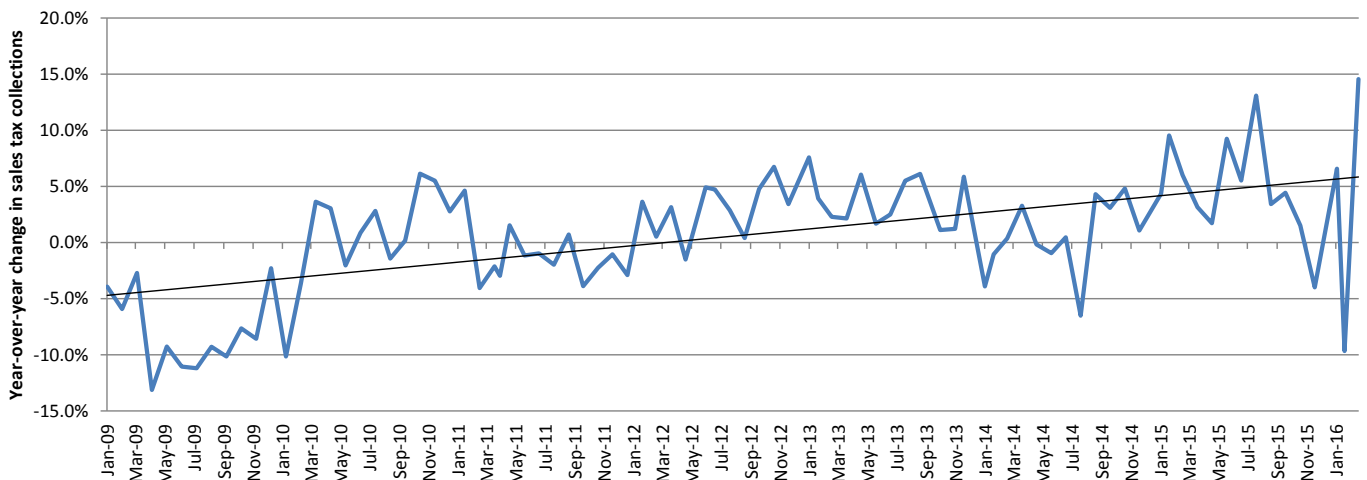
Table 1: January - March Sales Tax Diversions

Source: Mississippi Department of Revenue

	2016	2015	2016 vs 2015	2008 (pre-recession)	2016 vs 2008	2005 (pre-Katrina)	2014 vs 2005
BAY ST LOUIS	338,642	337,988	0.2%	348,875	-2.9%	321,629	5.3%
BILOXI	2,828,150	2,812,888	0.5%	2,638,298	7.2%	3,151,785	-10.3%
DIAMONDHEAD	132,738	126,888	4.6%	0	NA	0	NA
D'IBERVILLE	2,042,190	1,673,790	22.0%	1,104,393	84.9%	889,422	129.6%
GAUTIER	539,135	501,211	7.6%	626,441	-13.9%	543,214	-0.8%
GULFPORT	5,289,968	5,104,764	3.6%	5,554,872	-4.8%	4,600,978	15.0%
LONG BEACH	337,653	328,228	2.9%	378,651	-10.8%	362,746	-6.9%
MOSS POINT	438,716	458,344	-4.3%	416,784	5.3%	337,469	30.0%
OCEAN SPRINGS	1,238,561	1,249,112	-0.8%	1,166,092	6.2%	948,867	30.5%
PASCAGOULA	1,330,485	1,363,464	-2.4%	1,640,256	-18.9%	1,342,153	-0.9%
PASS CHRISTIAN	317,578	260,271	22.0%	77,764	308.4%	321,005	-1.1%
WAVELAND	567,055	554,287	2.3%	707,505	-19.9%	557,617	1.7%
Combined Cities	\$15,400,869	\$14,771,235	4.3%	\$14,659,932	5.1%	\$13,376,884	15.1%

*Diamondhead began receiving sales tax collections in March 2012.

Chart 1: Year-over-year change in monthly sales tax diversions



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Tourism. The Mississippi Gulf Coast's tourism season enters its peak season in March.

- Gaming revenues over the first three months of 2016 are up 6.4% (\$18.7 million).
- Through March returns, which reflect activity two months prior, special tourism tax collections on the Mississippi Gulf Coast have exceeded prior year for five consecutive months.
- STR Reports do cite that hotel occupancy in the region was down prior year in both February and March, though average daily rate was up modestly.

Table 2: Mississippi Gaming Revenues - March 2016

	Gulf Coast	River Counties	Overall
2016	103,232,962	85,093,833	188,326,795
2015	107,370,345	90,960,799	198,331,144
2014	104,834,926	103,338,441	208,173,367
2013	102,002,980	112,257,271	214,260,251
2008	120,793,839	139,756,703	260,550,542
2016 vs 2015	-3.9%	-6.4%	-5.0%

Table 3: Mississippi Gaming Revenues - YTD February 2016

	Gulf Coast	River Counties	Overall
YTD 2015	308,532,462	247,665,983	556,198,445
YTD 2014	289,874,934	254,357,223	544,232,157
YTD 2013	275,651,447	274,374,473	550,025,920
YTD 2012	274,006,485	289,263,861	563,270,345
YTD 2008	337,981,459	400,994,279	738,975,738
2016 vs 2015	6.4%	-2.6%	2.2%

Real Estate and Economic Development.

- According to Treen Reports, residential permits applied for exceeded prior year in the first quarter. The region also saw an uptick in permitting activity (over prior year) in the fourth quarter 2015.
- Margaritaville Hotel is slated to open in June 2016 in the building formally occupied by Casino Magic which has not been used for commercial purposes since 2005.
- Gulfport recently opened one new restaurant location on Beach Boulevard and another is slated to open this summer.