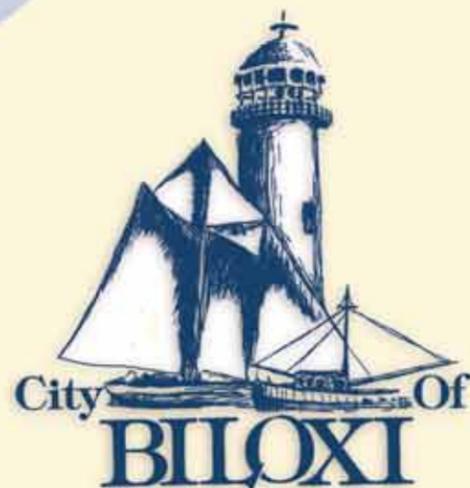


THE State of the City

2007 – KATRINA + 2



The revival of the renaissance is well underway

My fellow Biloxian:

I appreciate this opportunity to give you a status report on the overall state of our city, and, in particular, the progress we're making in the ongoing recovery from Hurricane Katrina.

At this time last year, I promised you that the decade of prosperity that we had enjoyed before Katrina was only a glimpse of our new potential. I told you a year ago that we were poised to reach even greater levels of new prosperity and opportunity.

I told you that we were going to revive that renaissance we were enjoying before the storm.

Today, as I write this, 20 months after the storm, I'm pleased to say that the revival is well underway and coming soon to a neighborhood near you – if it hasn't arrived already.

One of the many questions we were asked by the world media in the weeks after the storm was how long it would take for the city to rebuild.

Our answer: Sooner rather than later.

Some areas, we knew, would be back up and running quicker than others. The school system, for instance, had classes back in session 19 days after the storm. We'd known all along that the casino resort industry would have the financial wherewithal and the manpower to make a speedy recovery. That was our pre-storm thinking when we purchased that business-interruption insurance – that there was no way the casino industry would be down longer than six months. As it turned out, the first three resorts re-opened four months after the storm.

Once they were back in operation and people were able to return to work, the wheels began turning in other areas of our economy.

You can see the revival of the renaissance occurring all around you. More and more homes are being rebuilt. Old businesses are re-opening or expanding, and new ones are seeking land to set up shop.

We have varying levels of work underway on three-quarters of the streets of Biloxi. We've issued more than 13,000 permits of one type or another in the past 20 months. Our casino resort industry is posting record-setting numbers. We have plans on the drawing boards that will see nearly 8,500 new housing units built in our community – far more than the 6,000 homes and businesses claimed by the storm. I appreciate the hard work of our partner agencies such as the Biloxi Housing Authority, Keesler Air Force

Base, the thousands of volunteers who have come to our aid, the business community, and state and federal governments.

Something good happens every day, and with the passing of every day we are one step closer to returning Biloxi to the great city that it once was and always will be.

But, the fact is, some areas of our city will never look as they did before. Nor should they, in some cases.

The sooner we accept the reality that Point Cadet and most of east Biloxi will *never* look the same as it did before – for a number of reasons – the better off we will be.

The sooner we accept the reality that Point Cadet and most of east Biloxi will be built back *better* than it was before – for a number of reasons – the better off we will be.

The sooner we accept the reality that we must build back better than before – in a more responsible and safer manner – the *quicker* our recovery will be.

And, finally, the sooner that we face the reality that we can accomplish these things and still retain our small-town charm, our history and our culture, the more *satisfying* our recovery will be.

Biloxi, to be sure, faces huge challenges in recovering from Katrina, the most devastating natural disaster to ever strike the United States. We have to revive the unprecedented level of progress and promise.

To be honest, we are at the most crucial point of our recovery. The decisions that we are making these days are going to decide the

look of our city – and influence our quality of life – for generations to come.

My message today should be familiar. It's the same message I had before the storm: future generations are going to look back at this chapter in our history and they're going to realize that we made thoughtful decisions, that we made correct decisions, and that we laid a solid foundation on which we built a great city, with opportunity and promise for all.

Fact is, generations of Biloxians have done it – whether they faced hurricanes, turbulent economic times or poor seafood seasons. Fact is, before Katrina, we were meeting the challenges and pressures brought about by tremendous growth, and we were doing it successfully. We'll do it now, too, and again in the future, if God so wills. Let's get it right this time. We owe it to our children and their grandchildren. We owe it to the tens of thousands of volunteers who have worked in our community, and to those who are still coming. We owe it to the rest of the country. And, most of all, we owe it to ourselves.

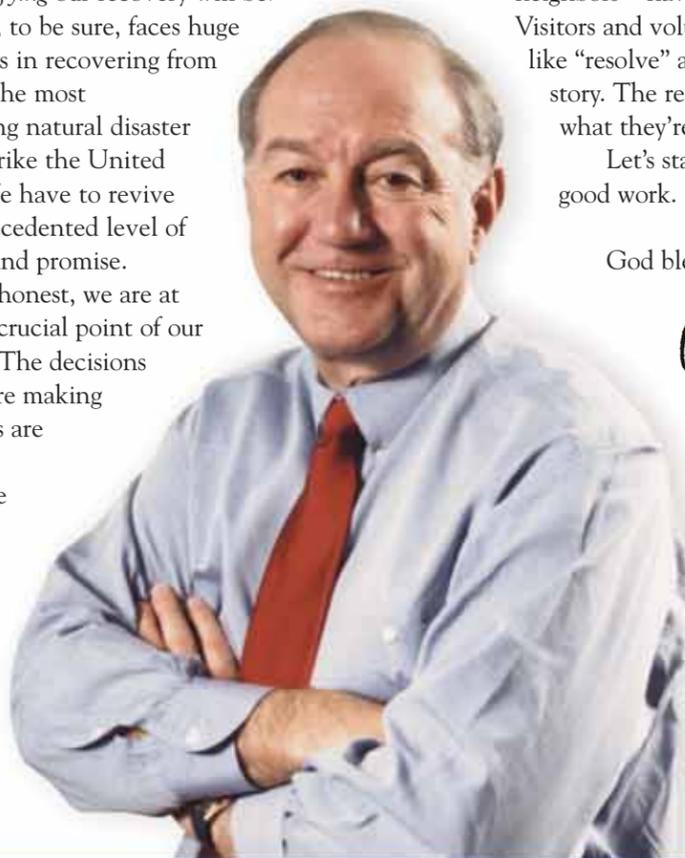
As Mayor, I cannot adequately convey how proud I am of how the citizens of Biloxi – you and your neighbors – have persevered since Aug. 29, 2005. Visitors and volunteers in our community use words like "resolve" and "resilience" when they tell our story. The rest of the nation has been inspired by what they're seeing.

Let's stay on track and keep up the good work.

God bless you and God bless Biloxi.

A handwritten signature in black ink that reads "A.J. Holloway".

A.J. Holloway
Mayor
May 1, 2007



About the State of the City

Since 1999, the City of Biloxi's Public Affairs Office has produced an annual State of the City newsletter, normally as a follow-up to the mayor's annual State of the City address.

The brochure fulfills the state law that requires the mayor to provide an annual report "to the council and the public on the work of the previous year."

This year's "State of the City: Katrina +2" is an expanded version of the annual report, providing residents and a national audience a status report on the city's ongoing recovery from Hurricane Katrina, which struck two years ago, on Aug. 29, 2005.

You can find an online version of this report – along with State of the City reports from previous years and detailed information, video and photos about the city – online at biloxi.ms.us.

City Council



George Lawrence
Ward 1



William "Bill" Stallworth
Ward 2



Charles T. Harrison Jr.
Ward 3



Mike Fitzpatrick
Ward 4



Tom Wall
Ward 5



Edward "Ed" Gemmill
Ward 6



David Fayard
Ward 7