

The beaches of the Mississippi Gulf Coast were chosen by an online travel adviser as one of the country's Top 10 beach destinations for the 2011 Memorial Day weekend, behind only Hilton Head, South Carolina, and Hermosa Beach, California, and ahead of beaches in Hawaii, Florida and the Northeast.

"Sailboats, casinos and spectacular beaches await you on Mississippi's Gulf Coast this Memorial Day weekend," said the www.cheapflights.com story, which was carried by the London-based Reuters News Agency and the Los Angeles Times. "The recovering seaside region has made wonderful strides in the past few years and is burgeoning with festivities the whole family will enjoy," the story concluded.

Harrison County, home to nine casinos, eight of which are located in Biloxi, outpaced the other 81 counties of Mississippi in FY2009 and FY2010 in every category of tourism-related economic impacts according to the Mississippi Development Authority, Tourism Division in its *FY2010 Economic Contribution of Travel and Tourism in Mississippi Report*. Tunica County, home to nine casinos and located near the Memphis metro area, ranked second in almost every category during the same period.



The Biloxi Area Tourism Industry

Mississippi Gulf Coast tourism is a \$1.6 billion industry and accounts for one-third of the state's total tourism revenue. In addition to that, in FY2010, the three Coast counties accounted for \$93 million, or about 43%, of the state's total tourism capital investment (TCI). TCI is a tourism industry term that accounts for the economic impact of new construction and expansion/renovation of tourism-related businesses/projects with public and/or private funding sources during a given fiscal year; TCI valuation is based on commercial permits issued and related data that considers museums, retail establishments, infrastructure, casinos and many others factors.

In FY2010, Harrison County alone accounted for more than \$77 million, or about 37% of the state's total TCI.

Estimated County Tourism Expenditures, Employment and TCI*

County	Tourism Expenditures by Visitors FY2009	Tourism Expenditures by Visitors FY2010	Direct Tourism Employment FY2009	Direct Tourism Employment FY2010	State & Local Taxes From Tourism FY2008	State & Local Taxes From Tourism FY2009	TCI* FY2009	TCI FY2010
Hancock	\$159m	\$140m	1,850	1,785	\$ 17m	\$ 15m	\$ 44m	\$ 7m
Harrison	\$1.3b	\$1.3b	20,000	20,000	\$141m	\$141m	\$115m	\$ 77m
Jackson	\$130m	\$139m	1,750	1,860	\$ 12m	\$ 13m	\$ 13m	\$ 9m
Tunica	\$825m	\$1.07b	11,240	10,540	\$105m	\$ 96m	\$ 12m	\$ 12m

*TCI Tourism Capital Investment: new construction and expansion/renovation of tourism-related businesses/projects with public/private funding sources during a fiscal year; TCI valuation is based on commercial permits issued & the Tourism factor.
Source: Mississippi Development Authority, Tourism Division

Biloxi Visitor Information & Services

www.gulfcoast.org
www.biloxibaychamber.com, www.mscoastchamber.com

Opened during the summer of 2011, the Biloxi Lighthouse Park and Visitors Center welcomes tourists to explore the history of Biloxi through exhibits, photographs and video and offers brochures, maps and related information. Located just west of the I-110 Loop on U.S. Highway 90 and just north of the historic Biloxi Lighthouse, the Center is easy to locate and access. Information about Biloxi attractions also is available on the City's website. www.biloxi.ms.us

The Mississippi Gulf Coast Convention & Visitors Bureau, the operating arm of the Harrison County Tourism Commission, lists Biloxi area attractions, travel resources, and related information on its website.

The Ohr-O'Keefe Museum of Art operates the Mississippi Sound Welcome Center; visit www.georgeohr.org for more information.

Biloxi is served by two chambers of commerce that provide business assistance information; both are located in the Biloxi Visitors Center.

Mississippi Coast Coliseum & Convention Center

www.mscoastcoliseum.com

The Mississippi Coast Coliseum is the largest beachfront facility of its kind in the South and continues to be a crowd favorite for sports and live entertainment. Since its opening in 1977, it has played host to Broadway theatre, comedians, superstar entertainers, professional sports, rodeos, festivals, circuses, and ice shows. It also is home to the SPHL 2010 regular season champions, the **Mississippi Surge Hockey Team**. The Arena can accommodate 3,000-4,000 in theatre configuration or 15,000 with full arena festival seating.

The adjoining Convention Center is a flexible facility offering 400,000 square feet of expanded and renovated exhibit and meeting space. Home to the Harrison County Tourism Commission, this state-of-the art facility offers an array of modern meeting space amenities, including catering, technology and audiovisual services. The facility can accommodate large conferences and intimate events.

A Convention Center District Master Plan is being developed by the Coliseum Commission as a development guide for the proposed extension of Popp's Ferry Road south to U.S. Highway 90. The plan is being designed to attract certain types of businesses, such as a hotel, retail shops and restaurants.

Events at the Mississippi Coast Coliseum & Convention Center

	FY2008*	FY2009	FY2010
# Events	197	216	227
Total # Event Days	372	426	479
# People	462,553	426,632	460,245

*The Coliseum and Convention Center's fiscal year runs July 1 – June 30.
Source: Mississippi Coast Coliseum and Convention Center

Hotels/Motels

In July 2010, Biloxi welcomed the 195-room **Four Points by Sheraton Biloxi Beach Hotel**, following a \$7 million renovation of the former Gulf Towers Building. Located on U.S. Highway 90 at the I-110 Loop, Four Points' restaurant and lounge are enjoyed by residents as well as guests of the downtown hotel. The \$20 million **South Beach Hotel & Suites**, located on U.S. Highway 90 on the Old Biloxi Strip, opened in 2010 and offers 100 suite-style accommodations, most with kitchens and in-suite laundry facilities. A 142-room **Hilton Garden Inn** is scheduled to begin construction on U.S. Highway 90 near Rodenberg Avenue at an estimated cost of \$12 million.

As detailed in the Hotel/Motel Inventory chart, the three Coast county area currently has about 75% of the 17,534 hotel rooms that existed before Hurricane Katrina. There are 819 rooms in Hancock County, 2,813 in Jackson County, and 9,575 in Harrison County. For more information regarding Biloxi hotels, motels and bed and breakfasts, visit the Mississippi Hotel & Lodging Association website at www.mshla@aol.com.



Hotel/Motel Inventory

	July 2005	July 2011	% of Rooms Operating 2011 vs. Pre-Katrina
Biloxi			
Casino	6,292	4,761	76%
Noncasino	2,939	1,819	62%
Biloxi Total	9,231	6,580	71%
Harrison County	13,565	9,575	71%
Mississippi Gulf Coast (including Biloxi)	17,534	13,200	75%

Source: Mississippi Hotel and Lodging Association

Occupancy rates in the Gulfport-Biloxi Metropolitan Statistical Area decreased by almost 7% between May 2010 and May 2011, from 67.9% to 62.3%, influenced in part by the increase in gas prices on the drive-in market. The average daily rate for the same May-to-May period increased 6%, from \$77.92 in 2010 to \$82.59 in 2011, according to the Mississippi Hotel and Lodging Association.

Golf

www.golfcoast.com

The Biloxi area has welcomed golfers since 1908, when it became home to the first golf course to open in Mississippi. With courses designed by Tom Fazio, Jack Nicklaus, Arnold Palmer, Mark McCumber, Davis Love and Jerry Pate, the Mississippi Gulf Coast distinguishes itself as a top golf destination.

Golf-related tourism has an estimated \$60 million annual impact on the Biloxi area economy, according to the Mississippi Gulf Coast Golf Association, a number that continues to rise largely because there is a course to fit every budget and every level of play. Lured both by the variety of courses and the Coast's mild winters, thousands of Midwest "snowbirds" flock to Biloxi each year to perfect their swing while their neighbors at home shovel snow.

In December 2010, *Golfweek* magazine released its list of "top 50 casino courses" in the U.S. and four are either golf courses owned and operated by a Biloxi casino resort or are directly affiliated with a Biloxi casino property. The only state with more golf courses ranked in the nation's top 50 is Nevada.

An official PGA TOUR Champions Tour event, the **Mississippi Gulf Resort Classic** draws estimated annual attendance of 50,000, according to the event committee. Held at Fallen Oak, about 78 golfers compete for a total purse of \$1.6 million and a \$240,000 first-place share.

Biloxi Casinos with Golf Courses Listed in Nation's Top 50

- #2 – Fallen Oak (Beau Rivage, Saucier)
- #23 – Grand Bear (Grand Casino Biloxi, Saucier)
- #39 – The Preserve (Palace Casino, Vancleave)
- #40 – Shell Landing (IP Casino, Gautier)



Fallen Oak

NOAA's most recent economic study in 2008 showed that expenditures of recreational fishermen generated more than \$12 billion in sales and supported more than 113,000 jobs throughout the Gulf region. A 2011 survey is underway to update this information.

"We know how to have a good time here along the beautiful Mississippi Gulf Coast and we back that up with world-class big-game fishing," stated Bobby Carter, Mississippi Gulf Coast Billfish Classic Tournament Director.

Recreational and Sports Fishing

www.dmr.state.ms.us
www.gulfcoastfishingcharters.org

The Mississippi Gulf Coast area enjoys the enviable reputation of being one of the world's finest fish hatcheries, where many species of fresh water, saltwater and deep sea game fish are usually in abundance anytime of the year, creating a sportsman's paradise. Fresh water tributaries of the Mississippi River feed into the Gulf of Mexico, supporting more than 200 varieties of fish. From pier fishing, floundering along the beach, offshore charter boat fishing, saltwater fly fishing, spear fishing, surf fishing on one of the barrier islands, or fishing on one of the Mississippi Sound's artificial reefs, fishing is always in season in Biloxi.

Biloxi's marinas, piers and boat launches have benefited from multi-million dollar reconstruction and are once again supporting a high volume of recreational boating and fishing activity. Fishing charter services are available at both the Biloxi Small Craft Harbor and Point Cadet Marina for fishing trips in the Mississippi Sound and offshore in the Gulf.

A new bait shop and fuel dock complex is being designed for the Biloxi Small Craft Harbor and debris is being hauled away to make way for a new Point Cadet Fishing Pier to replace the old Highway 90 fishing bridge.

The **Mississippi Gulf Coast Billfish Classic**, hosted annually in June at the Isle Casino, awarded a total of \$1,246,300 in prize money during its 15th anniversary tournament in 2011. A field of 60 boats competed and 21 boats collected prize money. The Classic is a qualifying event for the IGFA Offshore World Championship.

The Isle Casino and Hotel also hosts the **Southern Kingfish Association National Championship Tournament** each November, with more than 300 boats competing for cash and prizes. In 2011, the **Gorenflo Cobia Tournament** celebrated its 25th anniversary, with cash and prizes of up to \$100,000, at Biloxi's Point Cadet Marina.

Cruisin' the Coast

www.cruisinthecoast.com

Each October, car aficionados in Biloxi enjoy the more than 4500 antique cars that participate in the week-long festivities organized as Cruisin' the Coast. Marketed as "the world's largest street party," the event includes numerous activities at various locales, including street parties, casino-sponsored entertainment, and outdoor concerts. Started in 1996 as a festival to celebrate antique, classic and hot rod vehicles, nostalgic music and related events, Cruisin' has grown from 374 registered cars in its inaugural year to 4,854 in 2010.

The 15th annual Cruisin' the Coast was held October 2-9, 2011. Future dates of Cruisin' the Coast are: Oct. 7-14, 2012; Oct. 6-13, 2013; Oct. 5-12, 2014; Oct. 4-11, 2015; Oct. 2-9, 2016.

Smokin' the Sound

www.smokinthesound.com

Smokin' the Sound is the first race of the year for the Offshore Super Series Powerboat Racing Association, and takes place in and around Biloxi's Point Cadet during the late spring. Speed, colorful race boats, come-from-behind victories and an airshow of helicopters are

the norm for this extended-weekend event.

Smokin' the Sound was started in 2004 and each year draws a larger crowd, estimated at several thousand in 2011. Great local entertainment and outdoor parties complement the best in offshore racing with over 30 boats competing in ten categories; in 2011, Smokin' the Sound also featured Pro-Am racing. Prime seating is available in all price ranges, from premium and VIP viewing in designated areas to free seating on the sand beach.

Scrapin' the Coast

www.scrapinthecoast.com

In 2011, Scrapin' the Coast held its 9th annual event at the Coast Coliseum, featuring a variety of modified mini-trucks and late-model cars. With more than 2,000 registered vehicles on display, this event attracts thousands of spectators, adding to Biloxi's diverse range of year-round activities.



Gaming Taxes & Fees

When gaming was legalized in Mississippi in 1992, a taxing formula also was adopted to ensure that residents throughout the State, regardless of location, enjoyed the benefits of the taxes that casinos pay. Under the formula, each casino's gross gaming revenue is taxed at a rate of about 12%. Of that, 8% goes to the State of Mississippi's general fund, 3.2% goes to the city in which the casino operates and 0.8% goes to the county. The gross gaming revenue tax is distributed in Biloxi as follows:

- 40% City General Fund
- 20% Biloxi Public School District
- 10% Harrison County Public School District
- 20% City Public Safety
- 10% Harrison County Public Safety

In addition to the taxes on gross gaming revenue, the State, City and County annually receive licensing and permit fees from each casino.

In Mississippi, each casino's gross gaming revenue is proprietary information however, the State requires every casino to report it monthly and the City of Biloxi requires the same information from each casino located within its municipal boundaries. The monthly reports submitted to the City of Biloxi are updated by the 20th of each month and are posted on the City's website.

Gulf Coast Gaming Visitor Detail (First Quarter Comparisons)

	FY11	FY09	FY07	FY05
Quarter Total # Patrons	3.90m	4.09m	4.27m	6.13m
From Mississippi	25.42%	25.53%	25.69%	23.67%
From Alabama	14.93%	14.45%	14.27%	14.61%
From Florida	15.20%	15.75%	18.61%	19.82%
From Louisiana	22.44%	21.71%	21.66%	14.27%

Source: Mississippi Gaming Commission Quarterly Surveys

As reported in the Mississippi Gaming Commission's Gulf Coast Gaming Visitor Detail Reports, the largest percentage of local casino visitors consistently comes from the State of Mississippi. In the past five years, there has been an 8.2% increase in the number of casino patrons from Louisiana and a 4.62% decrease in visitors from Florida, while the percentage of Alabama visitors has remained relatively the same.

Gulf Coast Casino Hotel Lodging (First Quarter Comparisons)

	# of Casinos With Hotels	Total # Rooms	# Hotel Employees	% Occupancy	Average Daily Rate
FY11	9	5,564	1,182	81.82%	\$73.83
FY09	9	5,559	1,363	84.68%	\$73.64
FY07	9	5,084	1,641	86.56%	\$71.37
FY05	9	7,011	2,616	86.43%	\$64.49

Source: Mississippi Gaming Commission Quarterly Surveys

Biloxi Casinos

Beau Rivage Resort & Casino

875 Beach Boulevard
www.beaurivage.com
386-7111

- # Employees 2,366
- # Hotel Employees 435
- Gaming Square Footage 76,715
- Other Square Footage 2,150,000
- # Slot Games 1,997
- # Table Games 88
- # Poker Games 16



AAA Four Diamond resort. Hotel, restaurants, retail, convention center, showroom, Fallen Oak, a Tom Fazio designed 18-hole Golf Course, spa and salon, arcade

Beau Rivage was named one of the top 100 hotels in the continental U.S. and Canada by "Travel + Leisure." The Beau's sommelier, Mark Warren, is Mississippi's only Advanced Level sommelier, according to "Wine Spectator."

Gross Gaming Revenues Generated by Biloxi Casinos

Calendar Years 2005-2011

2011*	\$ 568.4m
2010	\$ 830.8m
2009	\$ 833.5m
2008	\$ 951.2m
2007	\$1,007b
2006	\$ 845.2m
2005	\$ 657.2m

*January – August 2011

Source: Mississippi Sales Tax Commission

"This year's State of the States Report confirms that there's good reason to be optimistic about the future of gaming. The industry has made tough choices and implemented new strategies to persevere. As a result, casinos across 22 states continue to make significant contributions to the U.S. economy," stated Frank Fahrenkopf, President of the American Gaming Association, about the 2011 AGA report released in May 2011.

- The 2011 Southern Gaming Summit and Bingo World Conference in Biloxi was the largest casino show in the country outside Las Vegas.
- Isle of Capri Casinos Inc., parent company of the Isle Casino Biloxi, is the only top 10 publicly traded casino company to have a female president.
- Mississippi has the third lowest casino tax rate in the U.S. and Larry Gregory, former Mississippi Gaming Commission Executive Director, said "That entices businesses... it also promotes jobs."



Boomtown Casino

676 Bayview Avenue
 www.boomtownbiloxi.com
 432-7290

# Employees	591
# Hotel Employees	NA
Gaming Square Footage	51,665
Other Square Footage	90,785
# Slot Games	1,169
# Table Games	18
# Poker Game	5

Restaurants, bakery, entertainment stage

Grand Biloxi Casino Hotel & Spa

280 Beach Boulevard
 www.grandbiloxi.com
 436-2946

# Employees	774
# Hotel Employees	76
Gaming Square Footage	28,785
Other Square Footage	453,520
# Slot Games	735
# Table Games	32
# Poker Games	—

Hotel, restaurants, Grand Bear, an 18-hole Jack Nicklaus Signature Golf Course, spa and salon, and lobby bar

Hard Rock Hotel & Casino Biloxi

777 Beach Boulevard
 www.hardrockbiloxi.com
 374-7625

# Employees	778
# Hotel Employees	117
Gaming Square Footage	53,800
Other Square Footage	126,200
# Slot Games	1,268
# Table Games	52
# Poker Games	6

Four Diamond-rated Hotel, plus restaurants, showroom entertainment, retail, spa and salon, meeting space.

Rock 'n' roll memorabilia is displayed throughout the resort.

IP Casino Resort Spa

850 Bayview Avenue
 www.ipbiloxi.com
 436-3000

# Employees	1,659
# Hotel Employees	212
Gaming Square Footage	75,790
Other Square Footage	118,354
# Slot Games	1,894
# Table Games	62
# Poker Games	14

AAA Four Diamond resort. Hotel, restaurants, convention center, showroom, retail and banquet facilities, spa and salon, arcade, Shell Landing, IP's preferred golf course

IP's thirty-two restaurant has won the "Wine Spectator" Award of Excellence three years in a row and the "Wine Enthusiast" Award of Distinction twice.

Isle Casino Hotel

151 Beach Boulevard
 www.theislebiloxi.com
 800-843-4753

# Employees	621
# Hotel Employees	38
Gaming Square Footage	57,252
Other Square Footage	675,952
# Slot Games	1,219
# Table Games	27
# Poker Games	9

Hotel, restaurants, live entertainment, spa, and meeting space

Palace Casino Resort

154 Howard Avenue
 www.palacecasinoresort.com
 432-8888

# Employees	530
# Hotel Employees	74
Gaming Square Footage	6,260
Other Square Footage	9,500
# Slot Games	773
# Table Games	15
# Poker Games	—

Hotel, restaurants, bakery, The Preserve Golf Club, recognized by "Golfweek" and "Golf Digest" as one of America's Best New Courses

As of June 2011, the Palace Casino Resort became the first smoke-free casino in Mississippi, restricting smoking to a new \$1 million smoking lounge.

Treasure Bay Casino & Hotel

1980 Beach Boulevard
 www.treasurebay.com
 385-6000

# Employees	562
# Hotel Employees	17
Gaming Square Footage	24,557
Other Square Footage	715
# Slot Games	803
# Table Games	22
# Poker Games	—

Hotel, restaurants, live entertainment, gift shop

Source of employee information, gaming space footage, and games: Mississippi Gaming Commission Quarterly Survey, First Quarter 2011



Biloxi Casino Expansions, Acquisitions and New Construction

During the summer of 2011, the **Palace Casino** completed a major renovation and expansion project, valued at more than \$45 million, that adds more table games and hundreds of new slot machines, and boasts three new restaurants that open directly onto the new casino floor. With smoking restricted to a new \$1 million smoking lounge that has its own heating and air conditioning system, the casino, hotel, restaurants, retail areas and lounge/sports bar will be smoke-free.

In 2010, the **Hard Rock Hotel & Casino Biloxi** invested approximately \$1.3 million in property renovations and **IP Casino Resort Spa** completed renovations estimated at \$1.4 million.

In June 2011, **Boyd Gaming Corporation** announced that it is buying **IP Casino Resort Spa** for \$278 million and will invest another \$44 million in improvements within 12 months of closing. As a part of the sales agreement, Boyd also will contribute \$10 million to the Engelstad Family Foundation for Biloxi area charitable organizations, to be distributed over the next five years.

Construction is under way at **Jimmy Buffett's Margaritaville Casino & Restaurant Biloxi**, on the Back Bay of Biloxi, the first new casino in South Mississippi since Hard Rock Biloxi opened in 2007. Phase I plans, valued at \$50 million with equipment, include construction of a 20,000-square-foot casino with 750 slot machines and 18 table games, a restaurant with indoor and outdoor seating, a 17,000-square foot events center, a gift shop and 12-slip marina. Projected to create about 650 jobs, Margaritaville Biloxi is expected to open in early 2012.

A planned Phase II would add 20,000 square feet to the casino, expand the kitchen, dedicate a museum to Gulf Coast music and culture, and enhance the marina.

According to Pascagoula native, Jimmy Buffett, he played his first professional job for Jake Mladinich at Trader John's in Biloxi. Buffett said he broke a couple of guitar strings during his performance and Mladinich threatened to fire him if he broke another. Buffett said that could have been the start and end of his career.

