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U.S.

## Since Katrina, Biloxi's Rebound Has Been Slow

Mississippi city's population is down 9.4%, as a smaller casino industry chugs along



Children played beyond the outfield wall during a recent Biloxi Shuckers baseball game at the new MGM Park, which was financed with a grant from BP and from city bonds. *PHOTO: BRYAN TARNOWSKI FOR THE WALL STREET JOURNAL*

By **LINDSAY ELLIS** and **CAMERON MCWHIRTER**

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**BILOXI, Miss.—**Scattered applause greeted Mayor Andrew “FoFo” Gilich in a newly constructed stadium as he threw the ceremonial first pitch for the city’s minor-league baseball team, the Shuckers.

The \$36 million MGM Park, which opened in June near the waterfront and several casinos, is the boldest attempt by city officials to show that the Mississippi Gulf Coast is revitalizing after a series of misfortunes. Since Hurricane Katrina hit a decade ago, Biloxi's population has dropped 9.4% to 44,984 and many houses remain vacant.

### Faces of Katrina: Where they were, and where they are



Cheryl Cook rode out Hurricane Katrina in her home in New Orleans's Lower Ninth Ward, accompanied by her dog, birds and goldfish. *MONA REEDER/DALLAS MORNING NEWS/CORBIS*

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“People all around the country who moved away, they’re looking for an excuse to come back, to move back home,” Mr. Gilich, 67 years old, said in an interview before the game.

But of the stadium’s 5,000 seats, 2,030 were filled that night. And beyond the ballpark, the area still shows signs of scars after a 28-foot wall of water hurled casino boats into neighborhoods and swept away buildings on Aug. 29, 2005. The storm killed at least 52 people in Biloxi and destroyed about a fifth of its buildings.

In the years since, the city’s economic recovery has been modest. Katrina was followed by the recession, then the BP oil spill in 2010. “We were wounded three times,” Mr. Gilich said.

In addition, residential and commercial development has become costlier due to higher insurance rates and new federal building codes intended to better protect structures along the coastline, economists and officials say. Businesses also fear further devastation from another storm.

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## FROM THE ARCHIVES

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- As Katrina Fades, One Man Struggles With His Memories (<http://www.wsj.com/articles/SB114402270822714822>) (April 3, 2006)

Today, where grand houses once stood near the waterfront, empty lots are marked by gnarled oaks, overgrown grass and foundations and steps—all that's left of destroyed properties. Nearly 20% of Biloxi housing units were vacant in 2010, up from 11.4% in 2000, according to census data.

“My daughter thinks it's common to drive down Highway 90 and see slabs,” said Joy Yates, 47 years old, who has worked as an assistant for Biloxi's county coroner for 18 years and helped collect bodies in the days after Katrina. Of her 12-year-old daughter, she says, “She'll never know the Gulf Coast I knew.”



Biloxi, Miss., seen from the Beau Rivage casino and hotel. PHOTO: BRYAN TARNOWSKI FOR THE WALL STREET JOURNAL



Remnants of homes along Beach Boulevard in Biloxi. *PHOTO: BRYAN TARNOWSKI FOR THE WALL STREET JOURNAL*

Before Katrina, Biloxi appeared on the cusp of becoming a major gambling hub, a smaller version of Las Vegas or Atlantic City, N.J., with nine casinos and other tourist attractions including beaches, recreational fishing and golfing. After the storm, several companies, including Trump Entertainment Resorts, announced plans to build new casinos there. But some of those plans fizzled out due to concern the area couldn't support more gambling.

Today the region's economy is in many respects a smaller version of what it was before the storm. The total civilian labor force along the state's Gulf Coast, from Gulfport to Pascagoula, is down 4.9% from its level in August 2005, according to the Bureau of Labor Statistics. Major employers include tourism-related companies, military bases such as Keesler Air Force Base, which has faced recent cutbacks, and the seafood industry, challenged by the 2010 oil spill and competition from imports.

Unemployment in Biloxi was 6.5% in June, the most recent data available, above the national rate. In 2000, 14.6% of people in Biloxi lived below the poverty line, according to census data. Since Katrina that figure has risen steeply, reaching 22.4% for the years from 2009 to 2013.

Casinos account for a big share of Biloxi's economy. In the fiscal year ended September 2013, tax on gambling revenue represented nearly 36% of general fund revenue, the largest individual contributor, according to a city budget document.

But the casinos, now down to eight, are bringing in less than before the storm. Taxed gross gambling revenue totaled \$809.6 million in fiscal 2014, down 11% from fiscal 2004, when it was \$908.5 million, according to the city. Biloxi saw a big drop in casino revenue

the  
year  
after



Servicemen at a Biloxi Shuckers baseball game. PHOTO: BRYAN TARNOWSKI FOR THE WALL STREET JOURNAL

Katrina, then a surge the following year, helped by the influx of relief and construction workers.

After the 2010 oil spill, when few tourists came to the city, Nazem Dahab said he considered moving away, asking himself: “How much more of this can we take? Can we just go somewhere and let this place rebuild somehow, someway?” But the 42 year-old, who owns Smash Clothing in Biloxi’s Edgewater Mall, decided to stay, “to have stability for my family and myself.”

Adrienne C. Slack, vice president and regional executive at the New Orleans Branch of the Federal Reserve Bank of Atlanta, said the bank expects “continued steady growth” along the Gulf Coast despite the hindrances, and that Mississippi Coast business leaders are “more upbeat and positive than I have experienced in the past three to five years.”

Before the ballgame, Mayor Gilich said the new stadium—financed with a \$15 million grant from BP PLC and \$21 million in city bonds—was proof Biloxi is on the mend. He said he imagined the city eventually could have a thriving downtown that rivals Beale Street in Memphis, Tenn.

“Who knows—I can’t read the future,” he said. “But I’m encouraged.”

Across the highway, however, shrimpers said recovery was less evident. Lien Nguyen, 55, works from a white-and-red boat in a marina near the Hard Rock Hotel and Casino. She moved to Biloxi 32 years ago, one of many Vietnamese immigrants who settled in the area to work in the seafood sector. Since Katrina, “we catch not much and we sell not much too,” she said.

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Carol Mentzer from Ocean Springs, Miss., catches a foul ball at a Biloxi Shuckers game. *PHOTO: BRYAN TARNOWSKI FOR THE WALL STREET JOURNAL*

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