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Business leaders optimistic about 2012

By NICOLE DOW

Settling into the new year, Coast business leaders said they anticipate a better economy in 2012 as they gathered Thursday for Sun Herald's quarterly Business Roundtable meeting.

"National retailers are looking at the Coast," said Brooks Holstein of ComVest Properties, "primarily for relocation or expansion stores."

He said the Wal-Mart Supercenter being built on C. T. Switzer Road in Biloxi will likely bring new life to Edgewater Village. Dollar Tree will be one new tenant at the shopping center.

While retailers are taking advantage of the expected increase in shoppers, Holstein said he didn't know of any restaurants coming to the beachfront.

"2011 was really a rough year for restaurants," said Richard Mueller of RPM Pizza, which operates Domino's Pizza franchises in Mississippi, Alabama and Louisiana.

Fortunately for his business, he said as consumers spent less at sit-down restaurants, they frequented fast-food businesses, like take-out pizza stores, more.

The company's Domino's store on U.S. 49 was recently selected for a redesign, which includes new signage, more seating and in-store iPads to place orders.

In the commercial construction industry, Dave Dennis of Specialty Contractors said he's looking for business to pick up at the end of this year.

"The industrial arena is starting to perk up a little bit," he said. "That's usually a sign that things are moving forward."

Construction projects

Ron Barnes of Coast Electric Power Association thinks 2012 will be a year of growth, noting new electric accounts at the Promenade in D'Iberville, including a new hotel and a Ray Brandt Mercedes dealership.

"It's been very strong in that Sangani Boulevard area," he said.

Barnes also said Coast Electric has new accounts in Picayune with a hospital and hangars at the airport and in Hancock County with government buildings.

However, residential accounts were down in 2011, he said.

Ray Gonzales of Century 21 Williams & Associates said the residential real estate market is likely to improve as baby boomers retire and look to live down South. About half of sales from homes on the local Multiple Listing Service are from Harrison County, he said. Close to 38 percent of home sales are cash sales from retirees or investors, and 28 percent of the market is first-time home buyers, Gonzales said.

"They're starting to get into the homebuying market because of the fact that they know there will never be an opportunity again to get in for these interest rates," he said.

Gonzales said home values are low due to foreclosures and distressed properties, but he expects home values to increase in the last quarter of 2012 as foreclosures decline.

Available credit

With low interest rates at financial institutions, Fred Osing of Wells Fargo said now is an attractive time to refinance. The amount of mortgage applications is up, he said.

However, banking customers are seeing additional fees for financial services as banks across the country are hit with new compliance costs and federal regulation.

"Banking as you have known it all your life is no longer the norm," Osing said.

Larry Clark of Butch Oustalet said he has seen more vehicle purchases on the Coast as interest rates at banks are low.

"2011 for our overall company was our most successful year in history with the exception of the bump up we saw right after (Hurricane) Katrina," he said. "We're seeing a lot more shoppers."

New technology and fuel-efficient vehicles approaching 30 to 50 miles per gallon are other draws for sales, Clark said.

Tourism impact

The tourism and government industries were the biggest growing job sectors on the Coast in 2011, said John Hairston of Hancock Bank.

"For the first time since Katrina ... nine out of 12 employment sectors actually improved," he said. "The problem is they just grew a tiny bit."

Jobs are being created on the Coast, but they aren't raising the median household income, Hairston said.

"The job creation that we're doing here is not of the high-end variety," he said.

Plans for a hotel on the grounds of the Mississippi Coast Coliseum and Convention Center are still in negotiations, said assistant executive director Matt McDonnell.

"Our hotel hopefully will be the catalyst for more development in West Biloxi on Highway 90," he said.

Upcoming events at the Coast Coliseum include the Rock and Worship Roadshow and Top of the Hops. McDonnell said he anticipates a bigger and better Crawfish Festival this year.

The Land Trust for the Mississippi Coastal Plain is working to bring more ecotourism sites to South Mississippi, said executive director Judy Steckler. Improvements to the Ramsey Springs site in Stone County should be started in the upcoming months.

"What we're planning to do there is to enhance the property to be appealing not only for its history but also for youth activities, like hiking and kayaking," she said.

Steckler said she hopes part of the site will be ready for public use by late spring or early summer. A 30-acre parcel in Forest Heights was purchased this month by the Land Trust.

"This is an important piece of property to go into conservation in Forest Heights, because it's an area that floods so often with just spring rains. We

are working with the community to make it a very special green space in that area. It's very close to the Forest Heights Boys and Girls Club so we think we can develop a partnership there," she said.

Government funding

Government funding had an effect on the defense and higher education industries last year, Roundtable participants reported. Keesler Air Force Base reduced its civilian personnel after a 7 percent budget cut, said Col. Glen Downing, vice commander of the 81st Training Wing.

"We cut 106 civilian positions out of almost 1,500 and we added one back so it was a net of 105," he said.

The base just emerged from a hiring freeze, and there are 111 vacancies on base, he said.

Despite the rocky economy, operations at Stennis Space Center are steady, said Jim Bevis, NASA chief financial officer. Work at Stennis created an economic impact of \$330 million in 2011, he said. Projects at the center last year included continued construction of the A-3 test stand and the first successful test for the J-2X engine.

"The demise of the shuttle program is not the demise of human space flight. It's the transition to the next step," Bevis said.

At the Gulf Park campus of the University of Southern Mississippi, campus executive officer Frances Lucas said that although state funding declined in 2011, federal grants were up. Enrollment continues to rise at the university.

"The dip for unemployment means usually an increase for colleges and universities so we've been steady seeing our numbers increase, as have most of the universities in Mississippi, as have most of the universities in the nation," she said.