



Alliance Insight

January 2011 - Volume IV Issue IV

aerospace · advanced materials · shipbuilding · geospatial · marine science



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The Alliance is an independent partnership serving the six Mississippi counties nearest the Gulf of Mexico.

Hancock Development Commission

Harrison County Development Commission

Jackson County Economic Development Foundation

Stone County Economic Development Partnership

Mississippi Power Company



What will the New Year Bring?

According to Pascagoula Mayor Robbie Maxwell, trying to predict economic development events that will occur in 2011 is bound to miss some significant things.

“With all the good stuff, I signed confidentially agreements,” said Maxwell. And he’s not alone. Economic development officials play it close to the vest, and don’t divulge what’s in the works.

Still, it’s possible to get a sense of what might be in store for South Mississippi in 2011. A lot of projects will reach fruition during the year, and decisions on several others will be made that will have an impact. That along with an understanding of the local, national and international trends at least provide a sense of where things may be heading.

And it does seem encouraging. Nationally, a strong start to the holiday

season raised confidence that the consumer is back and that 2011 could be a better year for the economy than expected. U.S. factory output has grown for five months, and a survey of CEOs at the nation’s biggest companies suggests hiring will pick up in the next six months.

And South Mississippi in 2011 will continue recovering from the recession and the Gulf of Mexico oil spill, helped in part by BP money. Sales tax collections and gaming revenues improved in late 2010 over the previous year, a trend that should continue. Employment, which has been stable, is expected to grow in the second quarter of 2011.

Multiple high-profile activities in South Mississippi will continue in 2011: at least 22 rocket engine tests are slated at Stennis Space Center, new cyber warriors will graduate from

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New Year *(continued from page 1)*

Keesler Air Force Base, and Jackson County will continue to churn out warships, unmanned aerial systems, body scanners and more.

And new players will become part of the South Mississippi landscape in 2011, including a science center, a university technology facility, a fixed-base operation center, a new airport terminal and LNG terminal, to name a few.

"I think 2011 stands to be a great year in a number of ways," said Biloxi Mayor A.J. Holloway, speaking about his own city. "I see 2011 as being a very productive and very busy year. It will be a year of accomplishment."

Decisions/Trends

At least two major decisions will be made in 2011 that are of high interest to South Mississippi, and one might come as early as January.

That's when the Air Force is expected to announce a winner in the contest between Boeing and EADS North America to build aerial refueling tankers. Should EADS win or if the contract is split, tankers and freighters will be assembled in Mobile, Ala. That will mean jobs for South Mississippi, both through workers commuting to Mobile and through the location of suppliers in South Mississippi.

Northrop Grumman will also decide in 2011 what to do with shipbuilding operations in Mississippi and Virginia. The company is considering creating a spinoff, Huntington Ingalls Industries, or selling the yards. Northrop has already decided to close its Louisiana yards and move work to Mississippi. But no matter who owns the company, employment will ebb and flow based on the number of ships being built.

Beyond those decisions, there are trends that bode well for South Mississippi. The continued interest in unmanned aerial systems, the growing use of geospatial technologies and the rising importance of cyber security all promise to fuel the local economy. Significantly, South Mississippi's marine science activities are likely to grow as research into the BP oil spill continues into 2011 and beyond.

New Projects

The list of economic development projects that will reach fruition, get started or make major strides forward in 2011 is long.

At NASA's John C. Stennis Space Center, work will be completed in July on the \$9 million Mississippi State Science and Technology Center, the new home of the Northern Gulf Institute. Just outside SSC, the Infinity Science Center construction will be finished in 2011 and a big push will be on raising money for the exhibits.

At Stennis International Airport in Kiln, construction will begin in 2011 on a new terminal, a 24,000 square-foot hangar, a parking apron expansion and fuel farm relocation. Three tenants at the airport - Selex Galileo, Hot Sticks and Lazy

Trends

Unmanned aerial systems – Teal Group's 2010 market study estimates worldwide UAV spending will more than double over the next decade to \$11.5 billion. UAVs are built in part in Moss Point.

Geospatial technologies – The U.S. Department of Labor says jobs in geospatial technologies will increase about 15 percent per year. Geospatial technologies is a focus area of Stennis Space Center.

Cyber security – The military has elevated cyber security to the same level as land, sea, air and space. The Air Force teaches cyber security at Keesler Air Force Base.

Marine science – A low-profile field became high-profile after the Gulf of Mexico oil spill. Millions will be spent on marine science research in the coming years.

Magnolia – all expect to grow. Optech International will begin making LIDAR units in 2011.

"We have worked hard to get a lot of infrastructure in place, and now we're starting to reap the benefits," said Bill Cotter, the airport director. He adds that "2011 will be our big kickoff for businesses coming in and using it."

Hancock County will wrap up work on projects ranging from an extension of the rail line at Port Bienville to new marinas in Waveland and Bay St. Louis, a new county complex and correctional facility and a new incubator in Waveland. In Port Bienville, SABIC will add a new product line.

In Harrison County, work will continue to establish an industrial park west of U.S. 49. The 632-acre Global Axis Industrial Park is 12 miles from Interstate 10. In the northern part of the county, Tradition will be working on its Village Market, and building more homes.

Work also will continue in 2011 on the Mississippi State Port at Gulfport's "Port of the Future," including filling of the final 24 acres of water bottoms at the port's West Pier. Executive Director/CEO Don Allee expects an increase in cargo in 2011.

Gulfport-Biloxi International Airport expects an uptick in passengers and has more renovations in store for 2011. One big project is the opening of the Million Air fixed base operation center. Bruce Frallic, the airport's executive director, said airport officials "feel good about the new year."

Gulfport Mayor George Schloegel said he anticipates the initial phase of the development of Centennial Plaza, the

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What to Expect in 2011

- Air Force will pick winner in the aerial tanker project
- Northrop Grumman decision on ownership of shipyards
- Opening of fixed base operator center at Gulfport-Biloxi International Airport
- Taxiway project at Gulfport-Biloxi International Airport
- Work continues to establish travel vault to keep AirTran in Gulfport in 2011
- Hancock Medical Center planning \$24 million in renovations and improvements
- Waveland to build harbor/marine complex
- Completion of Infinity Science Center building and a push to continue to raising money for exhibits
- Mississippi State Science and Technology Center construction finished in July
- Stennis Airport begins construction on a \$6 million terminal project, a 24,000 square-foot hangar, parking apron and a fuel farm relocation
- Work begins on two hangars for Selex Galileo
- Expansions at Hancock County brewery, Lazy Magnolia; and drum stick maker, Hot Sticks
- At least 22 rocket engine tests scheduled at Stennis Space Center
- Optech International begins making LIDAR at Stennis Technology Center
- Building of a new \$16.25 million seawall in Bay St. Louis
- Two additional sites in Jackson County will seek Project Ready designation
- Construction contract will be awarded for Maritime Trades Academy
- Village Market will open at Tradition with store, YMCA and swimming pool
- Activation of Gulfport's Jones Park and Bert Jones Yacht Basin
- Initial phases of development of Centennial Plaza in Gulfport
- Seeway Road expansion to four lanes
- Biloxi will formally dedicate Lighthouse Park and Visitors Center
- Improvements at Biloxi VA Hospital
- Groundbreaking for new Walmart Supercenter west of Biloxi's Edgewater Mall
- Detailed plans presented in January for casino adjacent to Gulfport's Small Craft Harbor
- New casino expected to break ground in D'Iberville
- Pascagoula's annexation issues moves forward
- Biloxi launches \$355 million in infrastructure repairs
- Work begins to fill final 24 acres of water bottoms at Port of Gulfport's West Pier
- Development of Lowry Island
- \$1.1 billion Gulf LNG terminal at Bayou Casotte scheduled for completion, startup in late 2011
- Pipeline construction is slated to begin in April to connect Gulf LNG to main line in Mobile County, Ala.
- Pascagoula develops waterfront property and revitalizes retail base
- New lighthouse to be constructed on east side of bridge in Pascagoula
- Restoration of port of Gulfport continues into 2011
- Addition of 7,000-foot rail extension at Port Bienville will be completed in the first part of 2011
- SABIC Innovative Plastics in Port Bienville will complete a new product line and photovoltaic installation
- Incubator being established in Waveland
- County administration complex in Bay St. Louis will be finished
- Work will be done on new correctional facility in Hancock County

SSC's Diverse Activities Bode Well for 2011

If ever there was an organization that benefited from not having all its eggs in one basket, it would have to be NASA's Stennis Space Center.

Despite months of uncertainty about the direction NASA would take, SSC knew it would have plenty to do. Its involvement in NASA programs, commercial engine testing and support of other federal agencies that call SSC home bode well for 2011 and beyond.

"I can tell you without any hesitation, this place is unique, from the test facilities to the buffer zone," said Patrick Scheuermann, director of Stennis Space Center. "It is continually being looked at in a favorable light."

SSC, with an economic impact of some \$875 million, is a major engine for South Mississippi. And while Scheuermann is unwilling to say growth is in the cards, he will say that SSC is not in a declining mode.

Scheuermann said the two parallel paths being pursued at SSC are the development of commercial engines for cargo flights and support of the NASA heavy-lift mission. Both projects go well beyond 2011, he said.

For Stennis, involvement in both means continued work. As of late November, there were at least 22 engine tests scheduled during 2011. Sixteen tests are scheduled for the Pratt & Whitney Rocketdyne RS-68. Six other tests are scheduled for the Aerojet AJ26, the liquid-fueled engine Orbital Science Corp. will use to power the first stage of its Taurus II space launch vehicle. Those tests directly support NASA's partnerships to enable commercial cargo flights to the International Space Station.

In addition, Rolls-Royce will continue testing the company's Trent 900 and 1000 aircraft engines. A Rolls-Royce Trent XWB engine will be tested at Stennis in 2011.

Going beyond 2011, Scheuermann thinks the migration of society from industrial to an information age will bode well for SSC. Long the home of a Navy supercomputer, SSC also has a foothold in the field of record retention and data management.

SSC is home to the 64-acre campus of the National Center for Critical Information Processing and Storage (NCCIPS), a Department of Homeland Security (DHS) data center. DHS is



NASA will test at least 22 engines in 2011, like this test of an AJ26.

Photo courtesy of NASA

consolidating more than two dozen centers into just two. The other center is in Virginia.

NCCIPS is at the former Mississippi Army Ammunition plant, a 4,400-acre site that became a NASA SSC asset in April 2010. The consolidation will continue during 2011, and is slated to be completed in 2014.

A ribbon-cutting was held in August at SSC for a new storm-resistant records retention facility, which consolidates and protects records storage. This facility will also house history office operations. The records retention facility now serves as a central location for all NASA records at Stennis.

As the nation moves toward more information-related jobs; and with SSC having these types of assets, "it's natural for us to play a role."

NASA is not in the field of economic development, but the state of Mississippi is, said Scheuermann. He said NASA in 2011 will continue working with the state, the Mississippi Enterprise for Technology and Hancock County officials to spur growth.

"I don't ever forget there were five towns that made way for Stennis," Scheuermann said. "Every chance I can maximize growth, we're going to look to do that."

— David Tortorano

Infinity Focusing on Exhibits in 2011

The topping out ceremony at Infinity Science Center in November of 2010 was significant for those who have pushed for the center. And in 2011, the big push will be getting funding for \$10 million worth of exhibits that will make Infinity Science Center special.

The science center is being built to the south of Interstate 10 near the Louisiana-Mississippi state line. It's designed to showcase Earth and space science – the activities at Stennis Space Center – and to make the learning fun.

John Wilson, Education Program Development Director at Infinity Science Center, said the exterior of the center will be substantially complete by year's end, but interior work remains. He expects it to be finished by August 2011.

The 72,000 square foot, two-story center will feature interactive exhibits. The focus of the building is the 24,000 square-feet of galleries that will include areas highlighting the Earth, oceans and space. It will include a restaurant, office, retail and classroom space and an immersive theater.

The immersive theater is considered the “signature experience” at Infinity. It's a six to eight-minute, 3D film that transports viewers from the depths of the ocean to the farthest reaches of space. It ends by flying viewers back to Earth to Stennis Space Center.

The landscaping still needs to be done, as well as the paving of the area around the center. The foundation work for the road is also expected to be finished by year's end.

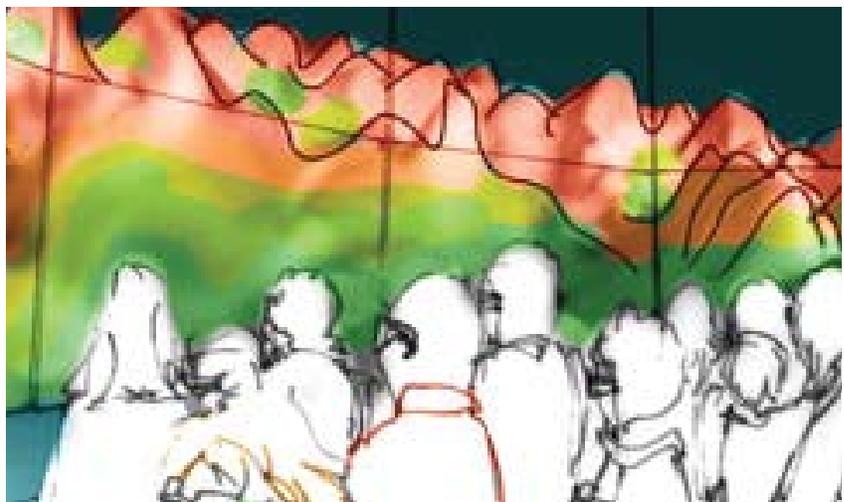
Exterior work includes a landscaped pedestrian entrance plaza with a large water feature, a cast stone sign, lighting and flag poles. Finishes include cork and wood flooring, bamboo ceiling panels, quarry tile, porcelain tile, ceramic tile and terrazzo.

The main focus in 2011 will be the \$9 million to \$10 million exhibits. The initial work will begin during 2011.

The science center has been in the works for more than a decade. Stennis Space Center Director Patrick Scheuermann first got involved in 1999 when he was tasked by former director Roy Estess to negotiate with the land owner to secure the property. The talks lasted for years.



An artist's drawing of the entrance of Infinity Science Center, above, and a drawing of the immersive theater.



Illustrations courtesy of Infinity Science Center

“It wasn’t exactly fun at the time,” Scheuermann said, but its purpose and value was and remains very clear to him.

Scheuermann pointed out what others have: interest in engineering and math has declined in the United States, but he’s optimistic that “we’ll stop the bleeding.” He thinks Infinity can play a part.

“I think all of us who try to go to schools and articulate, we make some impact,” he said. But a facility like Infinity Science Center, being on a prime corridor like Interstate 10, will make science and technology fun. He calls it “a perfect opportunity to highlight what we’re doing at Stennis Space Center.”

“It’s going to be incredible.”— *David Tortorano*

New Terminal, FBO in Store for 2011

For an airport that has already gone through millions of dollars worth of renovations and improvements, it's hard to imagine what more can be done. But Gulfport-Biloxi International Airport has more in the works for 2011.

On top of that, it expects to have more passengers pass through the terminal of the commercial airport.

"We were up this year around 12 or 13 percent," said airport Executive Director Bruce Frallic. He expects an uptick in 2011 but won't predict how much. "We feel good about the new year because of the economy. But I don't think we'll be seeing the kind of growth that we had this year."

Frallic isn't the only airport director

in South Mississippi who is optimistic about 2011. Bill Cotter, Director of Stennis International Airport in Kiln, and Carol Snapp, director of Trent Lott International Airport in Moss Point, are also busy overseeing improvements, and are encouraged about the 2011 and beyond.

At Stennis International Airport near Stennis Space Center, Cotter said work on a two-story, \$6 million terminal will get started around mid 2011. Funding is already in place, and plans include a restaurant on the second floor with an aviation history theme.

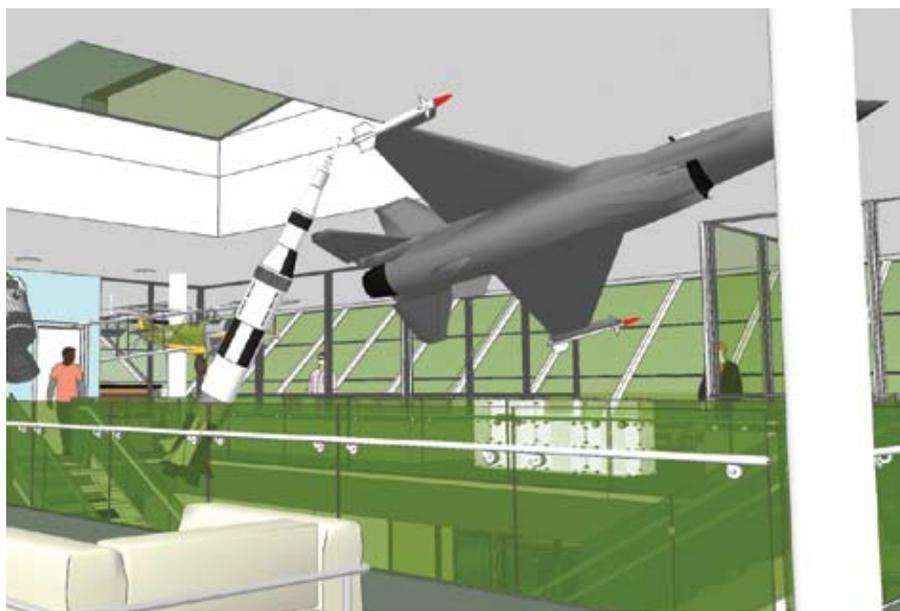
A \$750,000 expansion of the aircraft parking apron is also in the works, likely beginning in the first quarter of 2011.

The airport serves Stennis Space Center and is also a key training airport for the military. Rolls-Royce, which tests airline engines at SSC, uses the airport to ship engines. The airport also provides the jet fuel for tests.

Tenants of the airport also expect to grow in 2011. Selex Galileo will be constructing two aircraft hangars that can each handle two C-130s, and Hot Sticks and Lazy Magnolia are looking to expand.

In Jackson County, Trent Lott International Airport is also in a growth mode.

"The airport is currently installing new airfield lighting for the runway, taxiway, and apron area, a \$700,000 project," said Snapp, adding that 2011 will be a busy year as the airport moves forward with improvements that will allow it to eventually extend the current runway from 6,500 feet to 8,000 feet.



Artist's drawing of interior of the planned new terminal at Stennis International

Illustration courtesy of Stennis International Airport

For all three airports, the ongoing improvements are important on several levels. Airports are significant economic development tools that not only link the region to the outside world, but provide a first impression.

At Gulfport-Biloxi, one big project that will reach fruition in 2011 is the opening in the first quarter of 2011 of the new facility operated by Million Air, the airport's fixed base operator. The operation, which will be open 24/7, includes a 12,500 square-foot passenger terminal with conference rooms, a business center and U.S. Customs Facility.

The FBO will have a 20,000 square-foot hanger with 28 foot clearance, a large apron with tie-down and a parking area that will be able to accommodate heavy aircraft. It will also provide full service maintenance.

In addition, Gulfport-Biloxi will begin the \$12 million taxiway "J" project. This work is on the northern part of a taxiway on the west side of the main runway. The parallel taxiway is a lead-up to a runway extension.

Frallic said the airlines are making money now, but just what will occur with two mergers is unclear. In one, Continental and United are joining together and in the other, Southwest and AirTran are combining.

"We think it will be positive," Frallic said about both mergers. — *David Tortorano*

A Place Where Growth is a Tradition

The Tradition community north of Gulfport is a work in progress, and has been for years. So chances are good that 2011 will be marked by a number of “firsts” for the planned community.

Little doubt work will be done on the Village Center, a commercial area that had a December groundbreaking. Santini’s Village Market and Café, a YMCA fitness facility and community swimming pool will be built there.

But a lot more is waiting in the wings for 2011, including work on a golf course, a non-denominational church, a fire station and a condo project that will introduce town homes to the mix of residential options.

“It really is an exciting time,” said Brynn Joachim, vice president of sales and marketing.

The 4,800-acre Tradition community is four miles north of the city limits of Gulfport and 45 minutes south of Hattiesburg. When fully built out, it will have up to 15,500 residential units, two million square feet of commercial and light industrial space and 35,000 residents.

The Village Center is being built on 650 acres overlooking the lake at Tradition’s Main Street area. A movie house and an amphitheater are also in the future, but not in 2011.

In addition to the Village Center, construction will continue on the residential neighborhood. More than two-dozen homes are occupied, and 10 are getting ready to start construction.

Tradition has been in negotiations with a golf course developer for an 18-hole course along the southern border. Construction could get underway in 2011. Work might also begin on a large, non-denominational church, as well as a fire station.

Education has been a cornerstone for Tradition from its inception. The \$30 million St. Patrick Catholic High School opened in 2007. Later came William Carey University. Chances are good the education footprint will grow in 2011.

William Carey opened a new campus at Tradition after Hurricane Katrina destroyed its old campus. Its first class in the fall of 2009 had 750 students. In the fall of 2010, the number went up to 950. Expectations are that in 2011 the fall class will be over 1,000.



Street scene at the Tradion planned community in north Harrison County.

Photo courtesy of Tradition

The university owns 30 acres and has an option for another 20. School officials plan to grow the Tradition Campus to 3,000 students in ten years, with student housing available onsite for full-time students. That will mean additional classroom space and more.

“We believe they’ll continue to expand,” said Joachim.

Future plans call for health and wellness centers, an acute care hospital, a corporate park for company headquarters, R&D and light industry. Tradition’s targeted industries are geospatial, security technology, and green building systems, among others. – *David Tortorano*

Future plans call for health and wellness centers, an acute care hospital, a corporate park for company headquarters, R&D and light industry.

New Year *(continued from page 2)*

former site of the Veterans' Hospital on Highway 90. He also expects the full activation of Jones Park and the Bert Jones Yacht Basin.

In January, a Michigan group is expected to present a more detailed plan for a casino adjacent to Gulfport's Small Craft Harbor, and in D'Iberville there may be a casino groundbreaking.

In Biloxi, a new library and civic center will open in 2011, and there will be a groundbreaking for a Walmart Supercenter near Edgewater Mall.

"I think this is not just going to be about a Walmart opening, but it's going to be a catalyst for growth of new retail and food and beverage in and around Edgewater Mall, and we'll see new roads built to improve the flow of traffic in that area," said Holloway.

"Right now, we have more than \$200 million worth of growth either under construction or in the works in Biloxi, and we're seeing hundreds of million of dollars more at the VA in Biloxi," he said.

"We'll have brand new streets and drainage, sidewalks and curbing and water and sewer – all in place and ready to go once this economy turns around, and it will turn around," Holloway said.

In 2009 the Jackson County got its first Project Ready site with the 300-acre Jackson County Aviation Technology Park in Moss Point. Now two more sites are making headway in seeking Project Ready designation. One is a 730-acre site north of where Interstate 10 meets Franklin

Creek Road. The other is the Mississippi Export Railroad site on Saracenia Road, a 207-acre site in Helena, northeast of the Trent Lott airport.

Other projects that have been in the works will also move forward. The \$2 billion Mississippi Gasification Plant in Moss Point will continue the permitting process in anticipation of a 2012 opening, and a construction contract may be awarded in 2011 for the \$20 million Maritime Trades Academy.

In addition, the Gulf LNG terminal expects to finish construction in 2011 and open late in the year.

For Pascagoula, 2011 marks the beginning of the development of a new city, said Robbie Maxwell.

"Within the next year we're going to see a broad improvement in Pascagoula," Maxwell said. That includes the development of the waterfront property and revitalization of the retail base lost to Hurricane Katrina. He said one of the issues that will continue into 2011 is the proposed annexation by Pascagoula of about 30 square miles of land all the way to the Alabama state line.

Work will also continue on efforts to create a maritime and warship museum, which would include relocating the missile cruiser USS Ticonderoga to South Mississippi. It now has an interim home, but the ultimate plan is to build on Lowry Island on the Pascagoula River.

But if the past is an indication, some of the big headlines in 2011 may well be something that is being kept under wraps. Only time will tell. – *David Tortorano*



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The topping out ceremony at Infinity Science Center was held in November 2010 and marked a significant milestone for those who have pushed for years for the center. The science center is being built to the south of Interstate 10 near the Louisiana-Mississippi state line and will be finished in 2011. Infinity Science Center is designed to showcase Earth and space science, the activities at the nearby John C. Stennis Space Center. It will make learning fun through interactive exhibits. Photo courtesy of Infinity Science Center