

The “Mississippi Coast Miracle”

The Impact of the Gaming Industry - 10 Years Later (August 1992 to August 2002)



Produced by the Harrison County Development Commission
In conjunction with the Gulf Coast Gaming Association

Since the opening of the first dockside casino resort in August 1992, the State of Mississippi and the Gulf Coast region have reaped significant rewards – nothing short of miraculous, when you consider the economic climate of the early 1990s.

Over the last decade, the Gulf Coast gaming industry has contributed over \$3 billion to the local economy in new construction and new tax revenue, and has helped fuel the most significant population and income growths in a century. This renaissance is most commonly known as – the “*Mississippi Miracle.*”

The Winning Formula

“Mississippi has been one of the best models for gaming expansion. Its success over the last ten years has exceeded even the most optimistic expectations. Any state contemplating legalizing casinos would be foolish not to emulate the Mississippi model.”

--Jason Ader, analyst, Bear Stearns Investments

Features of the 1990 Mississippi Enabling Legislation:

- All casinos must be located over water, and only in designated areas (Mississippi River, Gulf Coast).
- Must be approved by voter referendum.
- No limit to the number of licenses that could be issued; sites limited by land authorized for casino development.
- Establishment of a strong regulatory agency in Mississippi Gaming Commission.
- Competitive tax rate of approximately 12% of gross gaming revenues.
- Tax revenues would be disbursed according to a specific formula to benefit State and local governments.

Additional features:

- To ensure industry stability, mandated reinvestment of gaming revenue into land-based improvements (hotels, parking facilities, golf courses, etc.)
- Creation of Tidelands Fund by Secretary of State to fund marine-related facilities and programs through casino lease payments.

Allocation of Gaming Revenue

8% of gross gaming revenues diverted to State government operations, according to a preset formula. Local governments determine how to allocate the remaining 4% of gaming tax revenues. Here is Harrison County as an example.

Harrison County Gaming Tax Formula

80% - City Operations	
▪ City General Fund	40%
▪ City Public Safety	20%
▪ City Schools	20%
20% - County Operations	
▪ County Schools	10%
▪ County Public Safety	10%

THE BENEFITS OF THE “MISSISSIPPI MIRACLE”

Job Creation

- Total statewide casino-related payroll totaled \$1.03 billion in 2002, when you include multipliers.
- Statewide, casino wages and vendor expenditures contributed \$3.6 billion to the state’s economy in 2001.
- On the Mississippi Coast, over 16,000 people are directly employed by the casino industry with an annual payroll of over \$300 million. 98% are Mississippi residents.
- Over 32,000 new jobs were created indirectly with the advent of gaming; unemployment rates dropped from 7.3% to a low of 3.5% - statistical full employment.
- Casino employees are more likely to be female, between the ages of 35-44, and married.
- 46.1% have children under 21 at home.
- Median household income - \$30,000-\$39,000
- 37.1% are college graduates.
- The majority have worked in the gaming industry for more than three years.
- More than 75% have a spouse who works outside the home, and among those, 40% say their spouse also works at a Mississippi casino.
- Pay, benefits, and job availability are the primary reasons employees cite working in a Mississippi casino. Pay & benefits were cited by 48% of workers, followed by job availability at 27%.

Capital Investment

- The Mississippi Coast's 12 casino resorts have invested over \$2 billion in their facilities.
- This investment includes: 7,474 hotel rooms; 64 restaurants; 656,000 square feet of gaming space; spas; entertainment theatres; marinas; and golf courses.

Gaming Revenue

- Since 1992, Mississippi Coast casinos have generated over \$8.6 billion in gross gaming revenues.

Gaming Tax Revenue

- \$2.3 billion in gaming tax revenue generated statewide since 1992.
 - \$1.2 billion spent on education, state parks, public assistance programs, and state government operations.
 - \$750 million transferred to local governments for schools, fire, and police services, road improvements, and otherwise meet the citizen needs.
 - \$315 million spent on the construction and maintenance of highways across the state.
- In FY 2002, gaming fees and taxes amounted to more than \$327 million statewide - \$73 million more than the corporate taxes paid by all other Mississippi industries combined.
- It is estimated that each Mississippian would pay an additional \$380 in taxes if not for contributions made by the gaming industry.

Community Spending & Investments

(Mississippi Coast – FY 2002)

- Wages – Direct & Indirect Impacts: \$566,736,384
- Gaming Taxes: \$140,510,418
- Other Taxes/Fees: \$5,470,486
- Operating Expenses: \$939,928,681
- Other Spending: \$52,074,541
- TOTAL: \$1,694,720,509

Impact on Local Governments

- Largely because of gaming revenue, Biloxi's city budget increased from \$21.5 million in 1991 to \$75.5 million in 2000.
- Biloxi's public safety budget has tripled and now tops \$23 million, while property taxes have been cut in half.

INDIRECT IMPACTS – “Mississippi Miracle”

Population Growth

- The Mississippi Coast recorded its largest growth in households in 20 years due in part to employment opportunities offered by the gaming industry.
- The Mississippi Coast population grew 17% from 1990 to 2000 – making it the fastest growing region in Mississippi in terms of total population growth at 363,988 residents.

Income Growth

- Per capita income grew by 79% in Harrison County from \$13,495 in 1990 to \$24,157 in 2000.
- Per capita income rates across South Mississippi, especially in non-gaming counties, grew on average by 67%.

Tourism Industry Growth

- Tourism is the state's largest private sector employer – 1 out of 13 Mississippians is employed in the industry.
- Annual visitation to the Mississippi Coast region is now estimated at 11.5 million annual visits, up from 1.5 million in 1992.
- Visitor inquiries have increased from 76,202 in 1992 to 336,162 in 2002.
- There has been a 183% increase in the number of hotel rooms on the Gulf Coast from 1992-2000.
- Non-residents generated 66% of gaming revenues on the Gulf Coast in 1999, according to USM Gaming Study.
- Average number of visits annually for a Gulf Coast casino visitor is 13.4 times.
- 83% of visitors say that the Gulf Coast was their primary destination; 11.9% said it was a planned stop on an extended trip; 4.2% said it was and impromptu, unplanned visit.
- 83.1% of Gulf Coast visitors stay in a casino hotel, up from 62.2% in 1999. 7.2% stay in a non casino hotel; 3.4% stay at an RV park; .9% stay at a B&B; 2.5% in a condominium.
- Primary mode of transportation: Private car – 91.3%; Tour bus – 1.8%; Airplane – 3.6%; Other (RVs, motorcycles) – 3.2%.
- Statewide, 35% of casino patrons live within 40 miles of the casino.
- 14% are residents of another state just across the border.
- 48% spend one or more nights in a hotel or other accommodation.
- Average number of nights spent is 4.8 nights.

Increased Sales & Construction

- Retail sales for the Mississippi Coast region have doubled since the advent of gaming with the region generating over \$4.7 billion in sales in 2002.
- Over \$1.06 billion in residential construction has been permitted since 1995.
- Gulfport, the state's second largest city, residential building permits skyrocketed from \$6.1 million in 1992 to \$74 million in 2000. Gulfport's retail sales tripled during this same time period from \$404 million to \$1.36 billion.
- Over \$1.26 billion in commercial construction has been permitted since 1995.
- Mississippi Coast home values have increased 93% since the advent of gaming to \$115,000.

Timeline of the “Mississippi Coast Miracle”

March 1990

The Mississippi Legislature approves gambling in the Mississippi Sound and on the Mississippi River. Governor Ray Mabus signs the bill into law.

June 1990	In a special session, the Legislature approves dockside gambling for the Mississippi River and the Gulf Coast, with approval by the voters in those counties. The bill also establishes a Gaming Commission and authority of the Tax Commission to regulate gaming through 1003.
December 1990	Hancock County voters approve dockside gaming.
March 1992	Harrison County voters approve dockside gaming.
August 1, 1992	The Isle of Capri in Biloxi becomes the first casino to open in Mississippi.
August 13, 1992	The President Casino opens in Biloxi.
August 28, 1992	The Biloxi Belle opens.
September 1992	Gaming revenues for the first month total \$10.6 million.
September 30, 1992	Casino Magic opens in Bay St. Louis.
May 14, 1993	Grand Casino opens in Gulfport.
June 5, 1993	Casino Magic opens in Biloxi.
September 10, 1993	Copa Casino opens in Gulfport.
December 13, 1993	Lady Luck opens in Biloxi.
January 7, 1994	Bayou Caddy's Jubilee Casino opens in Hancock County.
January 17, 1994	Grand Casino opens in Biloxi.
April 11, 1994	The Palace Casino opens in Biloxi.
April 28, 1994	Treasure Bay opens in Biloxi.
June 20, 1994	Gold Shore Casino opens in Biloxi.
December 1994	Gaming revenues for the calendar year total \$789 million.
January 3, 1995	The Biloxi Belle closes.
February 1995	Mississippi becomes the second largest gaming jurisdiction in the country in terms of space at 1.4 million square feet.
May 14, 1995	Gold Shore Casino in Biloxi closes; barge sold to President Casino.
October 30, 1995	Bayou Caddy's Jubilee Casino closes in Hancock County; reopens two months later under new name.
November 1995	Prime Outlets opens its first outlet mall in Mississippi in Gulfport, mainly due to the presence of the casino industry and increased tourism visitation.

July 16, 1996	Bayou Caddy's Jubilation Casino closes in Hancock County.
February 1997	New Palace Casino reopens in Biloxi, under new management.
December 1997	Imperial Palace opens in Biloxi.
January 1998	Annual state gross gaming revenue hits the \$2 billion mark.
June 1998	Lady Luck Casino acquired by Grand Casino Biloxi.
February 1999	The Engram regulation was adopted, requiring casinos to invest equally in hotel/recreational facilities and gaming areas.
March 1999	Beau Rivage opens in Biloxi, making it the largest hotel on the Gulf of Mexico and in Mississippi at 1,780 rooms.
May 1999	The 850,000 square foot Crossroads Center opens in Gulfport, making it one of the state's largest regional malls.
December 1999	The 12 Coast casino resorts reach the \$1 billion mark in annual gross gaming revenues.
April 2000	State unemployment is half of what it was when gaming began in 1992.
July 2000	State tourism inquiries top 500,000, up 14-fold from 1997.
December 2001	Gross gaming revenues for the State top \$2.7 billion. \$320 million in gaming taxes distributed.
July 2002	Gulf Coast hotel inventory now tops 18,000 rooms.
December 2002	Gross gaming revenues for the Coast region total \$1.16 billion – 93% or \$1.09 billion generated in Harrison County gaming resorts.

***For more information on the Mississippi Coast
and the impact of the gaming industry, please contact:***



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