

Coming Back

Retail Traffic
April 2007

Developers charting new Gulf Coast course.

Slowly but surely, retail developers are readying to rebuild the ravaged Gulf Coast that is taking steps to rebound from Hurricanes Katrina and Rita.

The latest breakthrough in the region has come from Tupelo, Miss., in late February winning a competition to become home to a new \$1.3-billion Toyota SUV factory set to begin production in 2010. The factory will bring 2,000 needed jobs to the region, and help spur development throughout the state.

That was one of the signs for hope that had developers buzzing at the ICSC Gulf Coast Idea Exchange held in Biloxi, Miss., that was attended by about 600 retailers and real estate executives.

Another sign of recovery is that tourists by the busload go to Biloxi daily to visit the 12 resuscitated casino-resorts.

“The casinos are thriving and that’s driving retail,” says Martin Mayer, president and CEO of Stirling Properties.

One of the obstacles to new development remains the skyrocketing cost of insurance. By some accounts, industry observers said the cost of insurance has risen anywhere from 15 percent to 30 percent since Katrina. Moreover, State Farm Insurance and Allstate have stopped writing new policies in the region.

“Insurance companies do not mind paying for their own losses. But, what they don’t want is to pay for the state’s residual losses and that’s what they’re being stuck with more and more,” said Andy Everett, vice president of market development for Jackson, Miss.-based Steward, Sneed, Hewes Insurance Co. —*Riccardo A. Davis*