

### ***Editor's Note***

*With this issue, we are introducing a new and continuing feature to Applied Research in Economic Development: the ED case study.*

*Readers from "B School" backgrounds may be all too familiar with the business case study, commonly used in MBA programs. There are many good examples in prominent business journals such as the Harvard Business Review (HBR). In each issue, HBR presents a detailed fictional account of a management problem, followed by analysis and recommendations by noted experts in that field of management.*

*We plan to take a somewhat different approach in ARED. Beginning with this issue, we are going to present an ED problem facing a real locality: in this case, Moss Point, Mississippi in the aftermath of Hurricane Katrina. We are using real places and real names for a few reasons. First, the communities we serve as ED practitioners are inherently more public by nature than private businesses. Second, this particular case study of Moss Point presents a genuine call for advice and assistance from the professional ED community, and we want this advice to be based on the most complete and accurate information possible.*

*Rather than just calling on a few selected experts, we prefer to throw this case open to the full ranks of ED practitioners and readers. We encourage any of you to contribute your suggestions, ideas, and even resources. Please send your thoughts to Mark M. Miller, Editor, Applied Research in Economic Development / [m.m.miller@usm.edu](mailto:m.m.miller@usm.edu) or Box 5022 / The University of Southern Mississippi / Hattiesburg, MS 39406-5022.*

*We also look forward to your suggestions for interesting case studies for future issues. What are some especially challenging ED problems that you face in the communities you serve? Where could you use some fresh ideas from your colleagues in the profession? What cases do you think would provide good teaching tools for ED students and professional training programs? Again, we look forward to your ideas.*

## **THE ARED CASE STUDY** **DISASTER AND RECOVERY IN MOSS POINT, MISSISSIPPI**

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### **Hurricane Katrina: The Storm That Changed Everything**

As the winds finally began to subside from hurricane strength, residents of Moss Point, Mississippi, began to venture outside their homes. Residents

in low-lying, low-income neighborhoods of the city waded from their flooded homes to the relative safety of higher ground. Those living near the city's downtown ventured out to see whitecapped waters swirling over their

submerged riverfront park. The single-story city hall stood surrounded by the floodwaters, vital records soaked underneath. Flood waters lapped around the city police and fire headquarters, leaving emergency vehicles swamped and stranded. The city was without power or water, as temperatures rose in the Mississippi August afternoon. Landlines and mobile communications were lost.

One radio station in the region continued operating. DJs relayed reports from across the Mississippi Gulf Coast throughout the day and long into the night. These were mainly rumors, at this point; it was said that New Orleans had apparently been spared the worst of Katrina's winds. But, the hurricane had made a direct hit somewhere along the western Mississippi Gulf Coast, probably in the vicinity of Waveland, Bay St. Louis, or Pass Christian. Of the reports available, precious few brought good news. Entire casino barges were said to be washed onto coastal Highway 90. Callers to the radio station urgently inquired after neighborhoods and apartment complexes across the length of the Mississippi coast. In most cases, the DJs could only respond, solemnly, "the reports from there are not good."

Clearly, the destruction extended across the entire Mississippi coast and even well into Alabama. Residents of southern Mississippi had been raised on horror stories of 1969's Hurricane Camille. It almost defied belief that in 2005 Hurricane Katrina was worse, and maybe worse many times over.

For the residents of Moss Point, emergency relief and basic supplies would be days away. The needs of the

small community were largely overlooked amid the chaos that later engulfed New Orleans and the wholesale devastation of the entire southern region of the State of Mississippi: from Waveland to Pascagoula and as far north as Hattiesburg.

### **Moss Point, Mississippi: "Two Rivers, One Community"**

Moss Point is situated at the convergence of the Escatawpa and Pascagoula Rivers, approximately two miles inland from the Gulf of Mexico coastline. The site was originally selected for a sawmill community in the 1840s. Further development of the community's lumber and paper industry—followed by fish meal processing, chemical manufacturing, and ship building—led to Moss Point's slogan as an "Industrial City."

The Mississippi Gulf Coast economy as a whole experienced an economic boom in the 1990s with the development of a waterfront casino gaming industry. Jackson County, which includes Moss Point, did not vote to legalize gaming, nor would current state law permit casino development along Moss Point's inland rivers.

Moss Point's economy shifted from stagnation to steep decline in the 2000s. In 2001, the city lost a major paper plant, chemical plant, and glove factory. The paper plant alone had employed some 1700 at its peak. As a result, most Moss Point workers today are out-commuters to major regional employers such as the Chevron refinery and Northrop-Grumman shipyard in Pascagoula (both of which survived Hurricane Katrina largely intact).

The negative multiplier effect of retail and service sector decline is evident across the community. There is only one small supermarket within the city limits today. Residents routinely drive into adjacent Pascagoula to shop at that city's Wal-Mart. There are clusters of motels, chain restaurants, and filling stations around the city's two I-10 exits. Across the river, downtown commercial activity was very nearly eliminated by the widening of Moss Point's Main Street into a four-lane highway in 1995.

The Moss Point population declined by four and one-half percent from 1990 through 2000 and by another estimated five percent from 2000-2005. Among the communities of the Mississippi Gulf Coast, Moss Point stands out in terms of its high level of poverty and high percentage of minority population. Pre-Katrina, the 2005 estimated household income for Moss Point was an average of \$45,517 with a median of \$35,622. Nearly 21 percent of the households were estimated to have incomes less than \$15,000. Approximately 70 percent of the city's population is African-American.

In terms of manufacturing, a small commercial airport within the city limits offers potential for defense aviation-related manufacturing linked to Pascagoula's Northrop-Grumman facility. The former International Paper site is in the clean-up process for brownfield industrial redevelopment.

Despite Moss Point's reputation for poverty and industrial decline, the city's natural beauty is striking. Visitors arriving from the west, driving along I-10, cross a vast expanse of wetlands created by the Pascagoula River: the

largest unimpeded river system (i.e., no dams or other alterations in the river's natural flow) in the lower 48 states. A local office of the Audubon Society is conducting a feasibility study at present for establishing a multi-purpose nature center within Moss Point's city limits. Prior to Katrina, a local resident was in the process of developing an up-market marina complex on the city's downtown riverfront; demand for this facility has spiked following Katrina, with the destruction of most other marina facilities along the coast.

The city retains an experienced economic development consultant, Linda Holden. Holden initiated a riverfront master plan in 1996 that focused on developing Moss Point as an ecotourism destination. No other city in the State of Mississippi has laid significant claim to an ecotourism development strategy. This master plan has endured through several city administrations since that time, with some concrete progress: for example, a downtown riverfront park and a small, attractive conference center overlooking the convergence of the two rivers are both now in active use.

### **Waves of Destruction or Winds of Opportunity?**

In the weeks following Katrina, Moss Point's recently-elected Mayor, Aldermen, ministers, ED professional, and citizen volunteers surveyed the damage across their community. They began connecting with helping hands from churches across the region and the country, the Red Cross, National Guard, FEMA and MEMA, and sister cities such as Burlington, Vermont. The damage in inland Moss Point was extensive, but not as devastating as that of nearby Gulf-front communities.

Definitive flood maps from FEMA would be many months away, but it was already clear that Moss Point now offered some of the most sheltered, developable waterfront property in the Gulf Coast region.

As roads reopened and supply chains were reestablished for basic commodities, the city's leaders could begin to ponder the future of their community. What would happen to the economy of this small community that had already been struggling before Katrina? What would be the appropriate response to Moss Point's needs, in this unprecedented situation? What should the local community be doing for itself, and what should they ask of outsiders seeking to provide assistance?

#### **Development From Above, Below, or Both?**

One of the classic conundrums in ED concerns the most appropriate direction for taking action. Should development come most appropriately from "above" or "below"? That is, are ED initiatives most effective when they arise from the grassroots or local level, termed "development from below" or "development from within"? Or, do developing communities benefit most from the resources that can be provided by state or especially federal agencies, termed "development from above" or "development from without"? (Stöhr and Taylor 1981, Taylor and Mackenzie 1992.)

The initial response to Moss Point's situation presents a combination of both "from below" and "from above" approaches. To date, this includes major involvement from local community leaders, a regional

university, the state's governor, federal agencies, NGOs, and the private sector.

#### **The Response From "Above": The State of Mississippi, Federal Agencies, and Other Outside Partners**

Offers of assistance poured into Mississippi following Katrina, including calls from prominent architects and planners across the country to assist in the state's rebuilding and recovery needs (Thompson 2005).

Working with Governor Haley Barbour, former Netscape CEO Jim Barksdale contributed a significant amount of his own money toward establishing a "Governor's Commission for Recovery, Rebuilding, and Renewal," which Barksdale then chaired (Governor's Commission 2006). The mission of the Commission is stated as follows:

*The Governor's Commission focuses on giving local leaders access to ideas and information that will help them decide what their region will look like five, ten, even twenty or thirty years from now. The Commission is advisory in nature. The final decisions on implementation will almost exclusively be made by local officials and private investors, not Jackson or Washington.*

*The Governor's Commission is funded by private donations. It accepts no government funding and solicits no money...*

*The Governor's Commission is chaired by Jim Barksdale and includes community leaders and public officials from the affected areas. A group of about forty*

*commissioners, along with other local leaders, will help lead discussions in the many community meetings that will be held. (Governor's Commission 2006)*

The Commission organized and hosted a large-scale and intensive “charrette”-style planning session, termed the “Renewal Forum,” October 12<sup>th</sup>-17<sup>th</sup>, 2005. This session resulted in plans for the recovery and redevelopment of the Mississippi Gulf Coast as a whole, as well as plans for each of the individual most-affected communities along the coast (Sun-Herald 2006).

The volunteer planning & architecture group placed strong emphasis throughout the process on the principles of the “New Urbanism” (New Urbanism 2006, Congress for the New Urbanism 2006) and “Smart Growth” (Smart Growth Online 2006, Smart Growth America 2006) movements. Among the resulting products for the Gulf Coast as a whole was a template for local adoption of “Smart Code” zoning (Place Makers 2006, Mississippi Renewal Forum 2005a) and an architectural “pattern book” for rebuilding in a manner consistent with traditional housing styles in the Gulf Coast region (Mississippi Renewal Forum 2005b).

The group that focused on Moss Point in particular was headed by Steve Schukraft, of the HOK Planning Group. After extensive local research, community meetings, and discussions with local members of the Renewal Forum, Schukraft’s group completed an initial plan for the city (Schukraft, et al. 2006). Consistent with the principles of New Urbanism, this plan emphasized the history and tradition of Moss Point and

focused on three especially promising centers of urban life: downtown Moss Point, the Escatawpa neighborhood across the river from downtown, and the traditionally African-American neighborhood of Kreole.

Meanwhile, large numbers of federal and state agencies, non-governmental organizations, and other partners from across the U.S. also extended offers of economic development and planning assistance to the City of Moss Point. Just a few examples include a partnership formed with the City of Burlington, Vermont, which in turn helped lead to a relationship with the Vermont-based Institute for Sustainable Development. USM economic development graduate students Robert van Geons and Silvia Serrano studied, respectively, alternative models of ED organization for a small community such as Moss Point, and ecotourism enterprise development.

Weeks after the hurricane, the University of Southern Mississippi’s Department of Economic & Workforce Development was approached by state and federal officials of USDA Rural Development (USDA Rural Development 2006, USDA Rural Development Mississippi 2006). In response to the emergency situation, Rural Development was prepared to waive its traditional “redline” that restricted it from working in metropolitan communities. However, wary of spreading its resources too thin, Rural Development proposed identifying a few communities that could serve as models of response to Hurricane Katrina and other future disasters. Two very different communities were selected: Moss Point and Wiggins. Rural Development pledged support for

economic development faculty members to initiate development planning processes in these cities. Judson Edwards headed the initiative for Wiggins, a smaller community, situated further inland, that was bracing itself for an anticipated influx of population and economic growth resulting from the coast's destruction.

### **The Response From “Below”: The Moss Point Commission for Recovery, Rebuilding, and Renewal**

In Moss Point, Mark Miller began working with Linda Holden, with Moss Point's Center for Compatible Development. Miller and Holden assembled a group of about two dozen community members representing a wide range of backgrounds and constituencies. Beginning in October 2005, the informal group met approximately every two weeks to identify opportunities and priorities for recovery and development—and also obstacles to capitalizing on these opportunities. Over the next two months, the group prioritized the following opportunities for Moss Point development:

1. Economic development
  - Tourism, emphasizing eco-tourism
  - Small business development and entrepreneurship
2. Public relations
  - Community communications
  - External marketing
  - Mobilizing faith-based and non-governmental organizations
3. Quality of life
  - Parks & community recreation
  - Wellness, health, & human services
  - Community beautification
  - The arts
4. Education
5. Housing and historic preservation
  - Downtown housing development, including up-market condos

- Multi-family housing
  - Housing for local senior citizens and new retirees
  - Historic preservation
6. Infrastructure
- Transportation
  - Sewer

What, then, were the most effective means of realizing these priority opportunities for the community? The group agreed that the Governor had clearly stamped his blessing on the work of the Commission for Recovery, Rebuilding, and Renewal. Some of the members of the group had also served on the Commission's Renewal Forum, and they had been impressed with both the process and the outcome. It was also increasingly clear that much of the federal funding for recovery and redevelopment would flow through state agencies, such as the Mississippi Development Authority, which were guided in large part by the work of the Commission and the Renewal Forum. Rather than invent a new process, it seemed most appropriate to pattern Moss Point's own initiative as closely as possible after the Governor's Commission.

Accordingly, the group drafted a proposal to Mayor Xavier Bishop and the Board of Aldermen to create a “Moss Point Commission for Recovery, Rebuilding, and Renewal.” This Commission was overwhelmingly approved by the Mayor and Board in December 2005.

The newly created Commission then proposed to address recovery and redevelopment of downtown as their first priority, for several reasons. Downtown was a clear priority of the Governor's Commission and

prominently featured in the planning documents created through the Renewal Forum; as such, there was already a good, running start on the process. The riverfront downtown area seemed to offer the most immediate potential for ED, and it would have a high profile for local residents. Civic buildings such as city hall had to be moved out of the flood plain, and it made sense to do this within the context of a larger plan. Although downtown had a historic perception of being controlled by an elite—and largely white—segment of Moss Point’s population, it was hoped that it could be transformed into a true center of community life and ED for all of the city’s residents.

Planner Schukraft continued to return to Moss Point on a *pro bono* basis, to keep the process moving ahead. Mayor Bishop and the Commission then contracted with Schukraft and his planning team to return for a final three-day session in April 2006 to complete a detailed development, transportation, and zoning plan for the downtown.

### **Where Do We Go From Here?**

This three-day downtown planning session took place in a temporary trailer behind the flood-wracked city hall. By the last night of the session, aerial photos, maps, and sketches hung from every wall of the trailer. Commissioners and Aldermen surveyed the work, which was based on the input they had provided the planning team.

The preliminary results were exciting. City hall would be relocated at one end of a downtown greenspace that overlooked the waterfront. Main Street would be narrowed and traffic slowed to

encourage pedestrians and commercial investment to return. Another road would be realigned to expand the waterfront park. A vibrant mix of retail, office, restaurant, and residential properties would fill the blocks fronting and adjacent to the waterfront.

The Commissioners congratulated Schukraft’s team and themselves on a job well done to that point. At the same time, however, everyone’s mind was already moving ahead to the critical next steps, which would determine whether or not these exciting plans could become reality.

The Commission was never intended to be permanent. Everyone believed that the planning process just completed would provide a good foundation for further development—but they also knew it was just a beginning. How could these initiatives be institutionalized, for an effective and sustainable development process long into Moss Point’s future?

How could perceptions be overcome that the downtown was still dominated by the interests of a small segment of the Moss Point population? How could the work of the Commission be expanded to represent the interests of all Moss Point residents?

Tackling the downtown initiative was a daunting enough task, but how could the city also address the even broader issues of development facing the city? These issues included serious needs for infrastructure upgrades (especially sewer) and a school system badly in need of new buildings, modern technologies, and funding overdue for overall enhancement.

Grants were desperately needed to kick start the process, but they couldn't be relied on for sustained economic development of the downtown or other areas of Moss Point. Continued success would depend on attracting private sector investors. How could these investors be made aware of opportunities in Moss Point, and how could we close these deals—on the terms that Moss Point had established in its downtown plan?

In the weeks after the planning process concluded, Commission members walked the streets of downtown and envisioned the redevelopment they had sketched out together and the renewal they dared to hope for. Was it possible, they wondered, for Moss Point to find economic opportunity in the aftermath of this disaster?

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