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The Gulf Coast Restoration Fund

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Executive Summary

In 2010, the Deepwater Horizon disaster released over 205 million gallons of oil into the Gulf of America, making it the largest oil spill in U.S. history.¹ The spill damaged Mississippi's beaches and coastal marshes, which temporarily crippled the coastal economy.

Sixteen years later, recovery and rebuilding efforts along the Gulf Coast continue. Following the spill, the federal government and the states of Texas, Louisiana, Mississippi, Alabama, and Florida sued BP for environmental and economic damages. In 2016, BP agreed to a settlement of \$20.8 billion, of which Mississippi received \$2.2 billion. Of that amount, the Mississippi Legislature appropriated nearly \$562 million to the Gulf Coast Restoration Fund (GCRF).² Following the initial settlement payment in 2018, the GCRF began receiving \$30 million annually and will continue to receive that amount through 2033.^{3,4}

According to Mississippi Code, "Monies in the GCRF shall be administered by the Mississippi Development Authority (MDA), and shall be used, upon appropriation by the Legislature, to provide assistance to applicants through programs or projects."⁵ Since 2018, the Legislature has appropriated approximately \$196 million to GCRF projects. Over the lifetime of the GCRF, the Legislature has chosen to fund some of the recommended projects and ignore other projects forwarded to them by MDA. For the 2026 legislative session, 89 project applications were submitted to MDA by the public for consideration. MDA recommended 16 of those applications, totaling approximately \$70 million, to the Legislature for funding.⁶

¹ See [resource](#).

² See [resource](#). The total appropriated amount is \$750 million for economic damages.

³ See [resource](#). 75% of the total is allocated for GCRF and 25% for the state BP Settlement Fund.

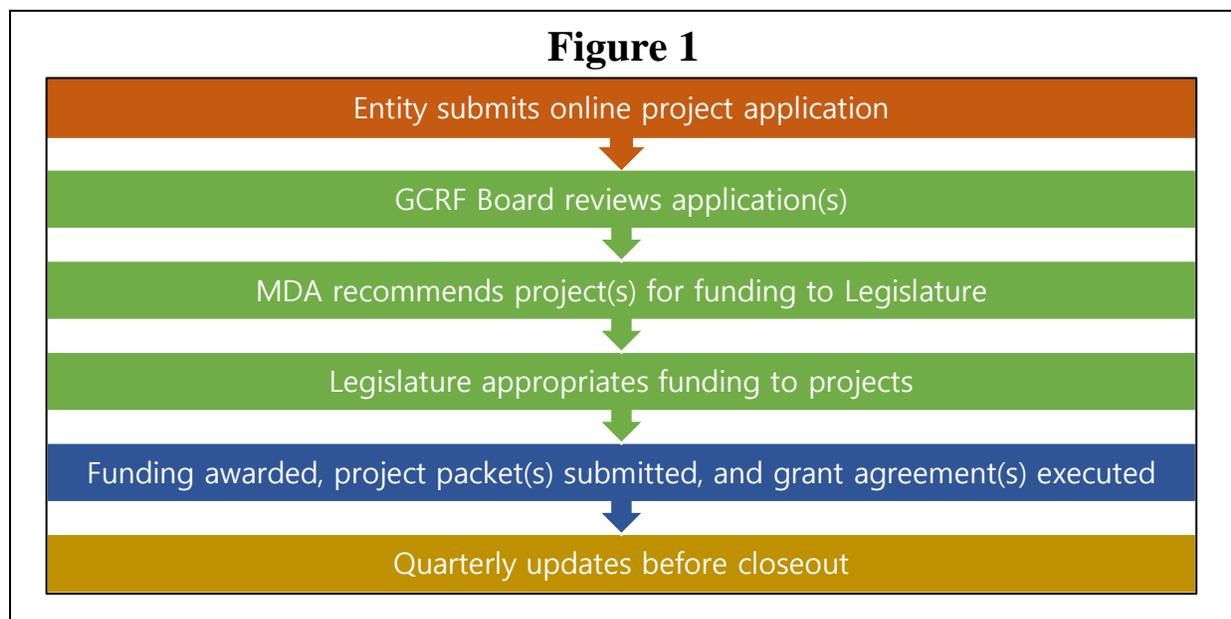
⁴ See [resource](#).

⁵ [MS Code § 57-119-1](#)

⁶ See [resource](#).

The GCRF Process

The Legislature established the GCRF in 2018 to facilitate the distribution of funds flowing to Mississippi as a result of the BP oil spill settlement agreement.⁷ The MDA, in conjunction with the GCRF Advisory Board, is authorized by the Legislature to administer the GCRF to finance reimbursement-based projects and programs that promote industrial and economic growth in the Mississippi Gulf Coast region.^{8,9} By law, MDA recommends project funding based on applications submitted to the agency. Figure 1 outlines established rules and procedures for the GCRF program.¹⁰ While applicants are generally required to follow the established process, the Legislature may choose to authorize funding outside this framework.



The MDA evaluates all project applications based on legislative priorities established in state law.¹¹ The application must include a project narrative, timeline, performance metrics, cost estimate, budget, proof of matching funds, and documentation of support from local and/or private organizations, among other requirements.¹² To qualify for GCRF funds, all applicants, with the exception of public schools, must secure matching funds worth at least 20% of project funding from other sources.¹³

⁷ [MS Code § 57-119-7](#)

⁸ [MS Code § 57-119-5](#). The advisory board consists of seven members. Three appointed by the Governor, two appointed by the Lieutenant Governor, and two by the Speaker of the House of Representatives.

⁹ See [resource](#).

¹⁰ Ibid.

¹¹ [MS Code § 57-119-11](#)

¹² See [resource](#).

¹³ Ibid.

In the 2024 and 2025 legislative sessions, the Legislature did not appropriate funding for any new GCRF projects, although it reappropriated funds for active projects.^{14,15} Figure 2 shows the status of projects since the GCRF was created in 2018.¹⁶

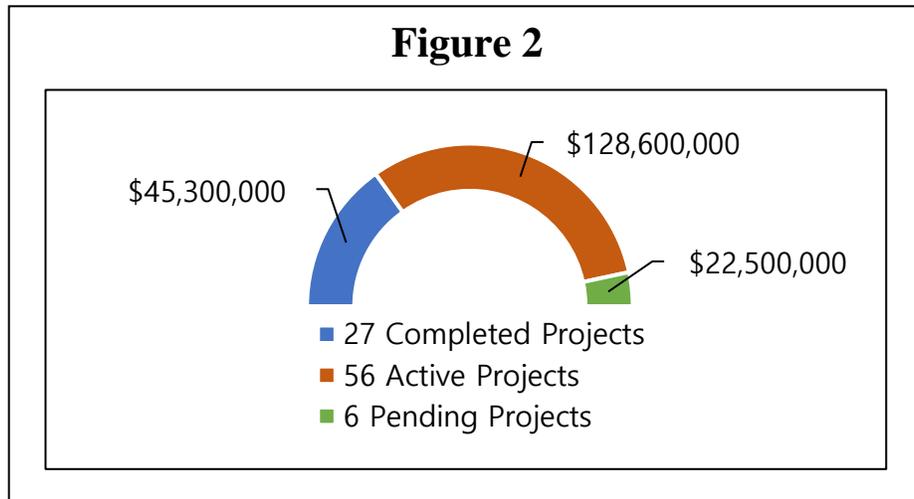
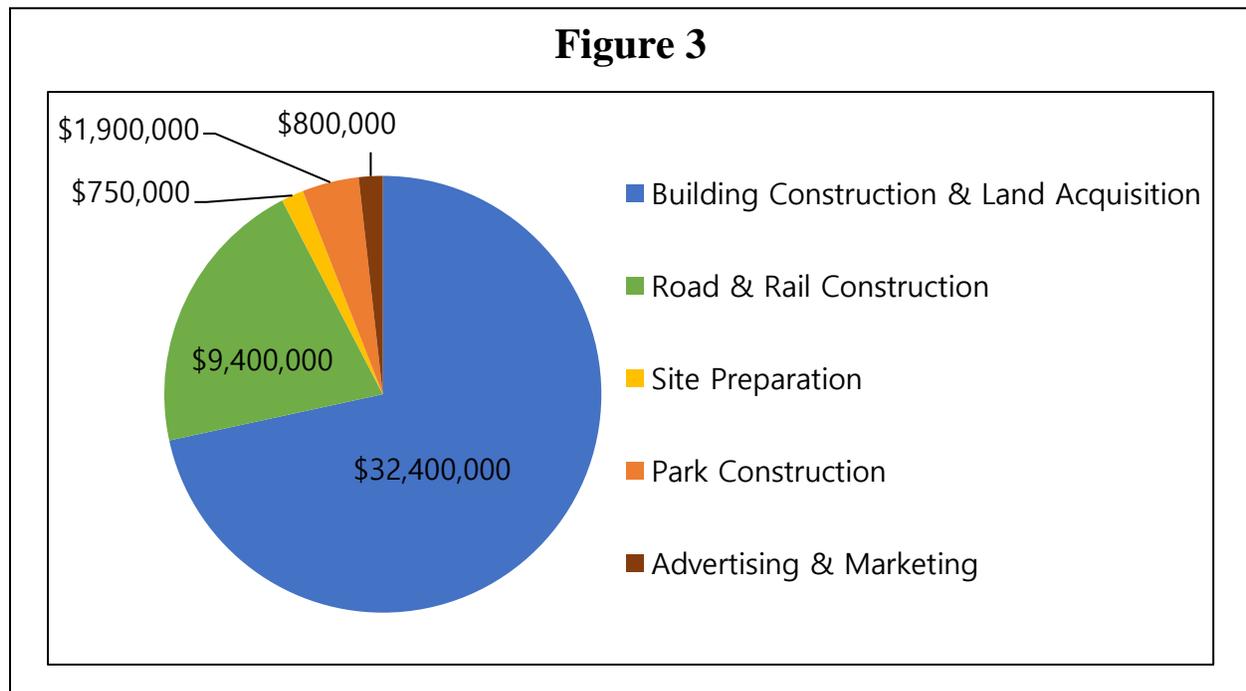


Figure 3 further breaks down funding of the 27 completed projects by category.¹⁷



¹⁴ See [resource](#).

¹⁵ See [resource](#).

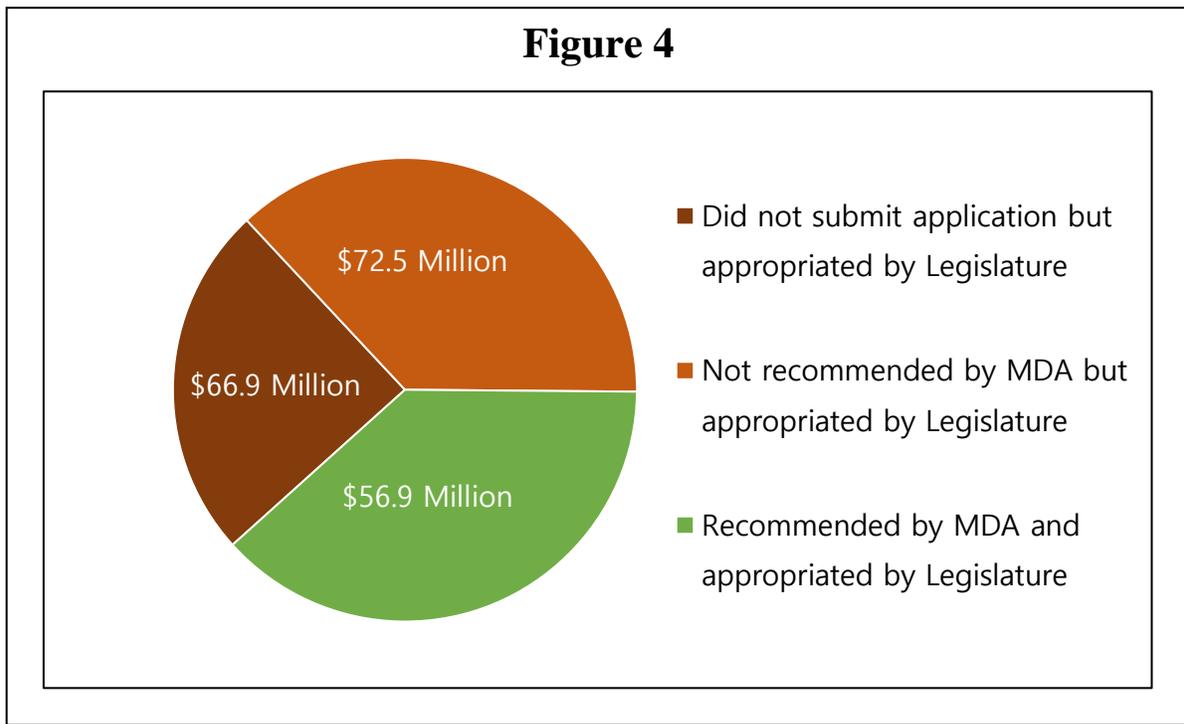
¹⁶ The appendix gives a detailed list of all projects that are completed, active, and pending.

¹⁷ Data provided by MDA.

Project Profiles

The MDA established formal procedures for project review and recommendations. However, the Legislature funded some projects outside of the standard recommendation process and, in some cases, overfunded or underfunded the original request.¹⁸

Figure 4 below summarizes all projects funded by the Legislature through the GCRF. The Legislature awarded 62% of projects without a submitted application or without MDA's recommendation.



Case Study 1: George County Board of Supervisors – Funding Over Requested Amount

In 2020, the George County Board of Supervisors requested funding to improve highways and roads serving the Enviva Biomass wood pellet facility in Lucedale.¹⁹ The Board requested nearly \$370,000 from the GCRF to satisfy cost-share terms of a federal Economic Development Administration (EDA) grant. The Board estimated the original project cost at \$1.9 million.

¹⁸ Ibid.

¹⁹ See [resource](#).

After reviewing the application, MDA declined to recommend the project for funding. Despite MDA not recommending the project, the Legislature appropriated \$1.6 million for the project, which was substantially more than the Board requested in its application.²⁰

After receiving the appropriation, the Board amended the project to include railroad transportation improvements serving the wood pellet facility. The Board projected the revised cost at \$3.3 million and included construction of a half mile of new railroad access to the Port of Pascagoula. The Board completed the project in 2021 with a combination of local (\$499,538), private (\$430,000), state (\$1.6 million), and federal (\$1.4 million) funds.²¹

Case Study 2: OHOS Development, LLC and City of Ocean Springs

In 2019 and 2020, OHOS Development, LLC, (OHOS) in conjunction with the City of Ocean Springs, applied for GCRF funding for a multi-purpose project in downtown Ocean Springs.²² The project application included lofts/condos, restaurants, retail stores, a hotel and a free public parking garage. The proposal claimed the multi-use development would leverage private investment to drive economic development.

The MDA recommended GCRF funding for this project in 2019, and the Legislature appropriated a combined total of \$8 million for the project in 2019 and 2020.^{23,24} OHOS secured \$20 million in private financing to satisfy the GCRF program's matching funds requirement. Per the grant agreement between MDA, OHOS, and the city, "the city partnered with OHOS to construct the parking garage and support the overall project."²⁵ This project garnered support from many local government agencies. However, since the completion of the project, there has been confusion over the final ownership of the garage.²⁶ MDA, the City of Ocean Springs, and OHOS signed a grant agreement stating that OHOS would "transfer the completed parking garage to the City pursuant to a long-term lease (effectively, transferring the parking garage to the City for the useful life of the structure)."²⁷ Total project costs were \$29 million, and construction was completed in December 2025.²⁸

²⁰ See [resource](#).

²¹ Data provided by MDA.

²² See [resource](#).

²³ See [resource](#).

²⁴ See [resource](#).

²⁵ Grant agreement provided to OSA by MDA.

²⁶ See [resource](#).

²⁷ Grant agreement provided to OSA by MDA.

²⁸ Ibid.

The final performance metric for the project is the transfer of the garage to the City of Ocean Springs through a lease agreement. If the city does not enter an agreement with OHOS, it must repay all GCRF funds to MDA. Per the grant agreement dated July 1, 2024, the project must close out by June 30, 2026.

Conclusion

As a result of the BP payout, Mississippi is set to receive an estimated \$562 million over the life of the GCRF. The 27 completed projects as a result of the GCRF have funded tourism, industry, and infrastructure in the Mississippi Gulf Coast region. In 2026, MDA recommended 16 projects for consideration by the Legislature including a performing arts center, university development, airport expansion, and harbor restoration. One potential concern with the future of GCRF funding is the Legislature will fund projects that do not meet MDA standards and do not have clear performance metrics in place. The Legislature could allay those concerns by only funding projects that have gone through the MDA vetting process and have MDA's recommendation.

Appendix

Gulf Coast Restoration Fund

Projects Appropriated by the Mississippi Legislature

Projects appropriated during the 2020 Legislative Session	Applied	Recommended	Project Status	Appropriated by Legislature
City of Gautier - Gautier Town Center Development Project	Yes	No	Complete	\$3,500,000
Power Dynamics Innovations, LLC - Equipment and Facility Upgrades Project	Yes	No	Active	\$1,550,000
City of Bay St. Louis - Old Town Police Department Project	Yes	No	Complete	\$1,000,000
City of Bay St. Louis - Old Town Depot District Project	Yes	No	Complete	\$1,500,000
City of Diamondhead - Commercial District Transformation Project	Yes	Yes	Complete	\$1,500,000
Stone County School District - High School CTE Center Project	Yes	Yes	Complete	\$3,200,000
University of Southern Mississippi - Ocean Enterprise Project - Phase 1	Yes	Yes	Active	\$7,000,000
Walter Anderson Museum of Art - Creative Complex Project	Yes	Yes	Active	\$750,000
OHOS Development, LLC and City of Ocean Springs - 1515 Government Street Project	Yes	Yes	Active	\$2,000,000
Gulfport School District - S.T.E.M. Exploration Project	Yes	Yes	Complete	\$100,000
City of Biloxi - Saenger Theater Project	Yes	Yes	Active	\$2,000,000
Harrison County Board of Supervisors - LEO Training Academy Project	No	No	Complete	\$3,000,000
George Regional Health System - Medical Office Complex Project	No	No	Complete	\$2,157,035
George Regional Health System - Cafeteria Expansion Project	No	No	Complete	\$1,080,510
MSU Research & Technology Corp. - MS Cyber Center Project	No	No	Active	\$3,500,000
Port of Pascagoula - North Rail Connector Project	No	No	Active	\$6,600,000

Jackson County Economic Development Foundation - Rolls Royce Naval Marine Support Project	No	No	Complete	\$1,400,000
Pascagoula Redevelopment Authority - Innovation Center Project	Yes	No	Active	\$1,000,000
Pascagoula Redevelopment Authority - City Center Project	No	No	Complete	\$4,000,000
Institute for Marine Mammal Studies - Educational Classrooms and Dorms Project	No	No	Active	\$3,000,000
City of Pass Christian - Redevelopment Project	Yes	No	Complete	\$750,000
City of Long Beach - Development and Revitalization Project	No	No	Active	\$2,000,000
City of Long Beach - Quarles House Project	No	No	Active	\$2,000,000
George County Board of Supervisors - Rail and Highway Improvements for Enviva Facility Project	Yes	No	Complete	\$1,600,000
Mississippi Export Railroad - Rail Improvements for the Enviva Facility Project	No	No	Active	\$1,000,000

Projects appropriated during the 2021 Legislative Session	Applied	Recommended	Project Status	Appropriated by Legislature
MSU Research & Technology Corp. - MS Cyber Center Project	No	No	Active	\$13,500,000
University of Southern Mississippi - Ocean Enterprise Project - Phase 2 & 3	No	No	Active	\$4,500,000
Stone County Board of Supervisors - Piney Wood Pellet Mill Road, Rail & Bypass	Yes	No	Active	\$2,500,000
Gulfport Redevelopment Commission - Phase 1 of planned	No	No	Pending	\$2,500,000

3-Phase project of Downtown Redevelopment				
OHOS Development, LLC and City of Ocean Springs - 1515 Government Street Project	Yes	No	Active	\$6,000,000
Pascagoula Redevelopment Authority - Downtown Revitalization	Yes	No	Active	\$3,000,000
Long Beach School District - High School CTE Center	No	No	Active	\$2,500,000
City of Diamondhead - Commercial District Transformation Project	Yes	No	Complete	\$2,000,000
Stone County School District - High School CTE Center Project	Yes	No	Complete	\$3,200,000
City of Gulfport - Flood Control and/or Drainage for Forest Heights	Yes	No	Active	\$2,100,000
City of Moss Point - Interstate 10 Frontage Roads, North and South	Yes	No	Active	\$2,000,000
City of Picayune - Friendship Park Revitalization	Yes	No	Complete	\$1,900,000
Pearl River Community College - PRCC Aviation Aerospace Academy	Yes	No	Active	\$1,900,000
City of Bay St. Louis - Court Street Parking Facility, Expansion & Improvements	Yes	No	Active	\$1,000,000
Walter Anderson Museum of Art - Creative Complex Project - Phase 3 & 4	Yes	No	Active	\$636,000
City of Lucedale - Ventura Drive Improvements	Yes	No	Active	\$577,000
George County Board of Supervisors - Scott Road Widening and Infrastructure	Yes	No	Complete	\$480,000

Projects appropriated during the 2022 Legislative Session	Applied	Recommended	Project Status	Appropriated by Legislature
Gulfport Redevelopment Commission - Phase 2 & Final Phase of Mixed-Use Downtown Redevelopment Project	Yes	Yes	Pending	\$8,000,000
City of Pass Christian - Water Front Redevelopment Plan	Yes	Yes	Active	\$3,000,000
Pascagoula Redevelopment Authority - City of Pascagoula Rail Line Development	Yes	Yes	Active	\$3,061,356
City of Biloxi - Popp's Ferry Extension	Yes	Yes	Active	\$3,000,000
City of Waveland - Waveland Marina - Phase 1	Yes	Yes	Pending	\$2,000,000
Ocean Springs Redevelopment Authority and the City of Ocean Springs - Public Works Property	Yes	Yes	Active	\$2,000,000
City of Moss Point - Moss Point's Magnificent Mile 2.0	Yes	Yes	Active	\$2,000,000
Hancock County Port & Harbor Commission - Technology Park at Stennis Airport	Yes	Yes	Active	\$2,000,000
Pearl River County Board of Supervisors - Pearl River County Industrial Park	Yes	Yes	Complete	\$1,600,000
City of Long Beach - Long Beach Harbor Complex Restoration	Yes	Yes	Active	\$1,000,000
City of Bay St. Louis - City Public Safety Complex Project	Yes	No	Complete	\$1,000,000
MSU Research & Technology Corporation - Continued Development of MS Cyber Center	No	No	Active	\$1,000,000
City of Diamondhead - Commercial District Transformation Project	Yes	No	Complete	\$900,000

Heritage Spring Water, LLC - Heritage Spring Water in Stone County, MS	Yes	No	Active	\$600,000
Ocean Springs Collective - Mixed-Use Development	Yes	Yes	Active	\$400,000
Mississippi Export Railroad - Helena Tank Qualification Shop	Yes	Yes	Active	\$3,500,000
Greater Biloxi Economic Development Foundation and JDLE, LLC - Downtown Redevelopment of Barq's and Kress Buildings on Howard Avenue	Yes	Yes	Active	\$2,000,000
Mississippi Gulf Resort Classic Foundation - Rapiscan Systems Classic	Yes	Yes	Complete	\$796,000

Projects appropriated during the 2023 Legislative Session	Applied	Recommended	Project Status	Appropriated by Legislature
City of Diamondhead - Commercial District Transformation Project	Yes	No	Active	\$2,000,000
City of Moss Point - Point of Connection Road	Yes	Yes	Active	\$200,000
City of Long Beach - Long Beach Harbor Complex Restoration	Yes	Yes	Active	\$3,500,000
Heritage Spring Water, LLC - Heritage Spring Water in Stone County, MS	Yes	No	Active	\$260,000
Pascagoula Redevelopment Authority - Live, Work, Play Pascagoula Riverfront Redevelopment	Yes	Yes	Active	\$1,500,000
Pearl River County Board of Supervisors - Industrial Park Infrastructure & Site Development	Yes	Yes	Active	\$1,922,800
City of Bay St. Louis - City Government Safety Complex	No	No	Complete	\$1,000,000

Hancock County Port & Harbor Commission - Technology Park & Site Development at Stennis Airport - Phase I	No	No	Active	\$2,000,000
Mississippi State University Research & Technology Corp. - Continued Development of the MS Cyber Center	No	No	Active	\$2,000,000
City of Gulfport - Daniel Boulevard Extension & Connector Road between Highway 49 & Canal Road	Yes	No	Pending	\$4,600,000
City of Lucedale - Lucedale Municipal Park Stage	Yes	No	Active	\$498,000
City of Moss Point - Highway 63/Escatawpa Natural Gas Pipeline Installation	Yes	No	Pending	\$1,750,000
Moss Point Development Authority - Moss Point Downtown Revitalization	No	No	Active	\$1,000,000
George County Board of Supervisors - Grain Elevator/River Road Rehabilitation	Yes	No	Active	\$1,599,906
George County Board of Supervisors - Old Highway 63 North Regional Agriculture & Agri-Tourism Accelerator	Yes	No	Complete	\$1,599,372
Jackson County Economic Development Foundation - Sunplex Light Industrial Park Site Improvements & Trent Lott Airport	Yes	Yes	Active	\$2,000,000
Pearl River County Board of Supervisors - Pearl River County Technology Park - Phase I & Site Development	Yes	No	Active	\$1,800,000
Jackson County Board of Supervisors - Vancleave Medical Center	Yes	Yes	Complete	\$3,193,750

City of Bay St. Louis - Downtown ADA Boardwalk	Yes	No	Active	\$1,400,000
City of Ocean Springs - Mary O'Keefe Cultural Arts Center Renovations & Signage	Yes	No	Active	\$700,000
Gulf Hills Resort - Development of 2,000 feet of Blueway Waterfront with Public Marina Access	Yes	Yes	Active	\$900,000
Mississippi Coast Model Railroad Museum - All Aboard: Mississippi Coast Model Railroad Museum	Yes	Yes	Complete	\$1,000,000
Ohr-O'Keefe Museum of Arts - Completion of the Ohr-O'Keefe Museum Campus	Yes	Yes	Active	\$1,000,000
University of Southern Mississippi - USM Visualization & Digital Multimedia Center of Excellence	Yes	Yes	Active	\$2,501,320
Pinchers Seafood - Working Waterfront	No	No	Pending	\$3,600,000
Jackson County Economic Development Foundation & the Biloxi Bay RV Resort - Biloxi Bay RV Resort	Yes	Yes	Complete	\$1,585,000
Plaid Properties, LLC - Redevelopment of Blighted Property into a WAMA Connected District	Yes	Yes	Complete	\$250,000
City of Ocean Springs (formerly Ocean Springs Redevelopment Foundation) - Public Works Redevelopment & Relocation	Yes	Yes	Active	\$2,000,000
Harrison County Development Commission - I-10 & Canal Road Site Development	No	No	Active	\$3,600,000