

Economic Development

Introduction

The health, quality of life and sustainability of a city is anchored in its ability to retain and create jobs that pay a family wage and an environment where businesses can thrive. A sound economic development plan and accompanying strategy are central to realizing Tulsa’s full potential. To achieve the community goals set out in *Our Vision for Tulsa*, economic development must be thoroughly integrated with the land use, transportation, housing, and other key elements of the plan. A strong, diverse economy will provide many of the resources necessary to accomplish plan goals. However, economic prosperity does not happen on its own. It requires a strategic approach with clearly articulated priorities, goals, and strategies for implementation.

In this chapter we provide an analysis of the Tulsa economy, including long-term socioeconomic trends, an assessment of key industry clusters, and a look at entrepreneurial activity. We then describe the key priorities that will guide Tulsa’s economic development efforts for future decades. This chapter ends with a list of goals, setting the bar for the city’s economic development efforts.

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Economic Development

Part I: Analysis & Findings

Long-term, Socioeconomic Trends

Who lives in Tulsa? Successful economic development planning requires a thorough understanding of area demographics. In this section, we discuss relevant demographic trends from 1990 through 2008, and projections for 2030.

Since 1990, Tulsa has had a flat or declining total population. According to estimates from the U.S. Census Bureau, between 2000 and 2005, Tulsa's household population decreased by about 12,000 (-3%). It has rebounded somewhat since, with a 2006-08 household population estimate of 373,051.¹

However, growth continues at a healthy pace for the region as a whole. The seven-county Tulsa Metropolitan Statistical Area (MSA) grew from 859,532 people in 2000 to 916,079 in 2008, a gain of 56,547 residents (7%). Since 1970, the seven counties that make up the MSA have grown by 60%, whereas the City of Tulsa has grown by 16%.

The City continues to be more racially and ethnically diverse than Tulsa County or the broader Tulsa region. In 2008, 69% of Tulsa residents were white, compared to 76% in the County, and the region. The non-white population in the City is growing in share,

Chart 1. City of Tulsa Population, 1990-2008

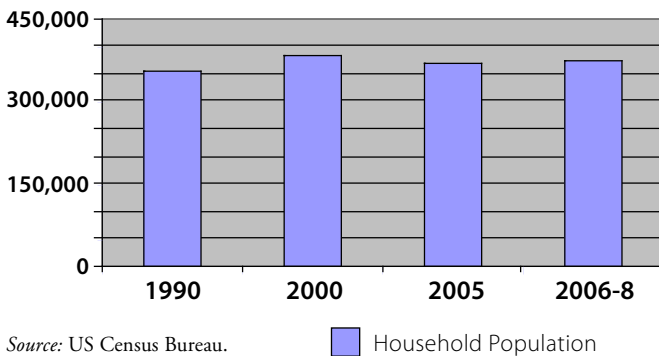


Chart 2. Tulsa MSA Population, 1970-2008



¹ The U.S. Census Bureau's American Community Survey does not include people living in group quarters in its estimates; these figures are for residents living in households only.

Table 1. City of Tulsa Population by Ethnicity, 1990–2008

Race	1990	2000	2008	% Change	
				1990–2000	2000–2008
White	79%	70%	69%	-9%	-1%
Black	14%	15%	15%	2%	0%
American Indian	5%	5%	3%	0%	-1%
Asian or Pacific Islander	1%	2%	2%	0%	0%
Other	1%	3%	3%	2%	-1%
Two or More Races	N/A	4%	6%	N/A	2%

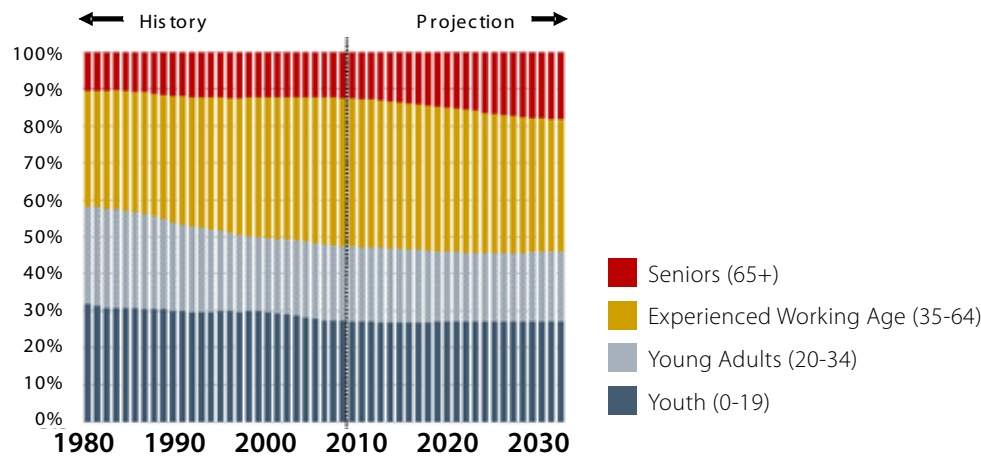
Source: U.S. Census 1990, 2000, American Community Survey 2008
 Note: Two or More Races data not available for 1990.

Table 2. City of Tulsa Population by Age, 1990 – 2008

Age	1990	2000	2008	% Change	
				1990–2000	2000–2008
Under 9	15%	14%	15%	0%	1%
10–19	13%	14%	12%	1%	-1%
20–29	17%	16%	15%	-1%	0%
30–39	17%	14%	13%	-3%	-1%
40–49	13%	15%	13%	2%	-2%
50–59	9%	11%	13%	2%	2%
60–69	9%	7%	9%	-2%	2%
70 +	8%	10%	9%	1%	0%

Source: U.S. Census 1990, 2000, American Community Survey 2008

Chart 3. City of Tulsa Population by Age, 1980 – 2030



Source: US Census Bureau (accessed via Moody's Analytics)

as the proportion of Tulsa residents who are white fell between 1990 and 2000, and again between 2000 and 2008, as shown in Table 1.

Since 1990, the City has experienced subtle shifts in the distribution of population by age group. Youth and young adults (ages 24 and under) have declined as a portion of total population, from 34% in 1990 to 29% in 2008. This has been accompanied by an increase in the proportion of residents above the age of 50, from 26% to 31% during the same time period. These trends are expected to continue in future years,

with the aging of the baby-boom generation, and the decreasing number of children per household. Table 2 shows trends in Tulsa's population by age group.

Chart 3 illustrates the Tulsa metropolitan area's projected age profile up to 2030. Households made up of baby boomers (those born between 1946 and 1960) are more likely to have just one or two people after their children move away. According to the U.S. Census Bureau, in 2006, about one third of Tulsa's households consisted of one person; over two thirds (69%) of households consisted of one or two people.

Table 3. City of Tulsa Educational Attainment for Population 25+, 2000 – 2013

	% of Population 25+			Change in Share	
	2000	2008	2013	2000-2008	2008-2013
No High School	5%	3%	3%	-1%	-1%
Some High School	11%	7%	5%	-4%	-2%
High School Graduate	25%	30%	32%	4%	2%
Some College, No Degree	24%	20%	18%	-4%	-2%
Associates Degree	6%	7%	8%	1%	0%
Bachelor's Degree	19%	22%	23%	3%	2%
Graduate Degree	9%	10%	11%	1%	1%

Source: Tulsa Metro Chamber, 2009 Tulsa Demographics. Data from Experian/Applied Geographic Solutions

Table 4. City of Tulsa Households by Income Level, 1990 – 2013

	1990	2000	2008	2013
\$0–\$24,999	75,011	57,610	44,524	38,424
\$25,000–\$74,999	66,906	79,312	76,592	75,170
\$75,000–\$149,999	9,791	21,989	30,720	34,074
\$150,000 +	2,987	6,801	11,640	14,976

Source: Tulsa Metro Chamber, 2009 Tulsa Demographics. Data from Experian/Applied Geographic Solutions

Note: Household income is reported in nominal dollars (not adjusted for inflation).

Educational attainment is on the rise for Tulsa residents. From 2000 to 2008, the percentage of residents ages 25 and older that had not earned a high school degree declined from 16% to 10%. During the same period, the percentage of residents ages 25 and over with a bachelors or graduate degree increased from 28% to 32%. Table 3 shows the educational attainment for Tulsa residents.

Table 4 shows Tulsa households by income level. The median household's income in Tulsa has risen from \$26,000 in 1990 to \$39,000 in 2008 (nominal dollars). Per capita income has experienced similar growth during this time period, increasing from \$15,000 to \$29,000 (nominal dollars). If these figures are adjusted for inflation, however, there is virtually no real growth in median household income or per capita income since 2000.

Employment in Tulsa

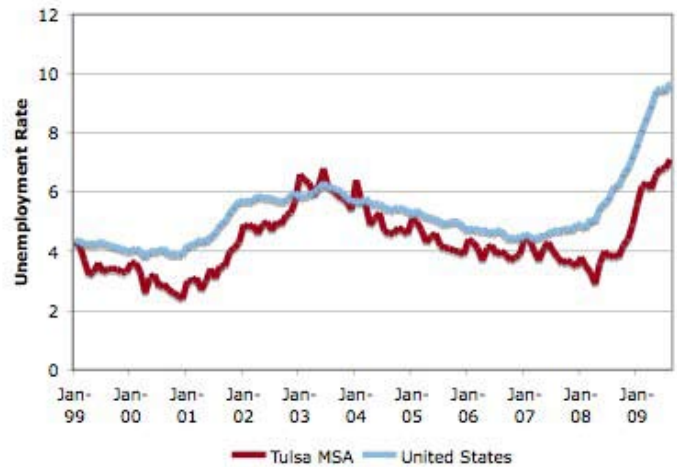
Tulsa’s economy tends to rise and fall with the rest of the country. In the last 20 years, Tulsa slid into national recessions in 1980, 1981-2, 1990-1, 2001, and 2009. Each recession has brought rising unemployment and lagging sales tax revenue, often interrupting City of Tulsa operations as well as scheduled capital investments.

At times, economic recessions have been prolonged by local factors. For instance, the “oil bust” of 1982-4 followed on the heels of the 1981 national economic recession. And in 2001, the energy, aviation, and telecommunications sectors were hit particularly hard, leading to slow job recovery locally.

Tulsa is no stranger to hard times, but a closer examination of long-term economic trends yield some surprising facts. For most of the 10-year period between 1999 and 2009, Tulsa’s unemployment rate was substantially lower than the national average as shown in Chart 4. The difference in unemployment rate between the US and the Tulsa region has become more pronounced over the current recession in 2009. The most recent data from September 2009 shows the unemployment rate in the Tulsa region at 7.0%, the highest it has been this decade, but still lower than the national rate of 10.2%. Tulsa’s relatively strong real estate market coupled with rising oil prices appear to have mitigated, at least to a degree, the effects of the worst economic downturn since the Great Depression of the 1930s.

According to the American Community Survey, 3.1% of white residents above the age of 16 were unemployed in the Tulsa MSA in 2008. Nearly 8.0% of black residents and 7.0% of American Indian residents were unemployed at this time. Three percent of Hispanic or Latino residents were unemployed in 2008.

Chart 4. Unemployment Rate for Tulsa MSA and United States, Jan. 1999 – Aug. 2009



Source: Bureau of Labor Statistics, Accessed 11/10/2009.
 Note: Data for Tulsa MSA is not seasonally adjusted.

Table 5. Unemployment by race, Tulsa MSA, 2008

	Hispanic	White	Black	American Indian	All Other Races
Population 16+	43,327	553,895	55,596	41,962	56,951
In Labor Force	34,172	372,337	37,288	28,902	38,272
Employed	33,138	360,781	34,356	26,891	36,191
Unemployed	1,034	11,556	2,932	2,011	2,081
Percent Unemployed	3.0%	3.1%	7.9%	7.0%	5.4%

Source: U.S. Census American Community Survey 2008

Table 6. Tulsa MSA Employment by Industry Sector, 2000 – 2007

	2000	2007	% Change
Educational Services	5,100	7,100	39.2%
Natural Resource and Mining	5,200	6,700	28.8%
Other Services	14,500	17,900	23.4%
Administration, Support, Waste Management Services.	29,200	35,900	22.9%
Health Care and Social Assistance	42,700	50,500	18.3%
Construction	19,600	21,900	11.7%
Professional, Scientific and Technical Services	18,100	20,100	11.0%
Government	47,800	52,400	9.6%
Leisure and Hospitality	34,200	35,400	3.5%
Wholesale Trade	17,600	18,200	3.4%
Financial Activities	25,000	25,400	1.6%
Transportation and Warehousing	19,200	18,700	-2.6%
Utilities	3,500	3,300	-5.7%
Manufacturing	55,700	51,500	-7.5%
Retail Trade	49,100	45,100	-8.1%
Management of Companies and Enterprises	6,400	5,800	-9.4%
Information	15,000	10,000	-33.3%
Total Nonfarm	407,700	425,800	4.4%

Source: Oklahoma Employment Security Commission, Current Employment Statistics from the Bureau of Labor. Accessed on 10/2/2009.

Table 6 shows a breakdown of employment by industry sector in the Tulsa MSA in 2007.² The Tulsa region had 425,800 jobs. Sectors with the most employment were Government, Manufacturing, Health Care and Social Assistance, and Retail Trade. Prior to the recession, the Tulsa region experienced significant job growth in the last decade. Overall employment in the Tulsa MSA increased 4.4% from 2000 to 2007. The fastest growing sectors during this period were Educational Services, Natural Resources and Mining, and Administration, Support, and Waste Management Services. The information sector (Broadcasting, Publishing, and Data Processing) experienced the largest decline in employment.

The Tulsa Metro Chamber of Commerce, in collaboration with the City of Tulsa and other regional partners, has completed an analysis of key industry clusters. The most recent analysis was conducted by Market Street Services, Inc., and the results were described in the Target Business Review, published in July 2008. The purpose of the study was to identify key industries that have the greatest potential to create new jobs and wealth, to be the focus of the region's economic development resources. Market Street identified six priority target industries, as well as two emerging targets. For a detailed description of these clusters and their contributions to the Tulsa economy, please see the Market Street: Marketing & Existing Targets Review: Target Business Review.

PRIORITY TARGETS:

- **Aviation and Aerospace**
- **Health Care**
- **Professional Services and Regional Headquarters**
- **Energy**
- **Machinery and Electrical Equipment Manufacturing**
- **Transportation, Distribution, and Logistics**

EMERGING TARGETS:

- **Information Security**
- **Entertainment and Tourism**

² This is the most recent year for which data was available from the Bureau of Labor Statistics, Current Employment Statistics. This data does not reflect the heavy job losses that occurred in 2008 and 2009.

Several of these clusters depend on Tulsa’s transportation infrastructure, and related industries and assets. Tulsa relies on Tulsa International Airport, Jones Riverside Airport, the Port of Catoosa and highway freight to receive/deliver goods to the Tulsa area. The Transportation, Distribution, and Logistics cluster supports the region’s large manufacturers and wholesalers. Continued investments in Tulsa’s transportation infrastructure (including major enhancements of Tulsa International Airport’s cargo capacity) is important to support Tulsa’s key clusters.

Market Street calculated location quotients (LQ) for four of the priority clusters, shown in Table 7.³ Each of these clusters has high regional employment, and pays a high average wage to their employees. Transportation, Distribution, and Logistics was the largest cluster (more than 27,600 employees), though its relatively low LQ suggests Tulsa does not have a comparative advantage in this field. The Energy cluster had the largest LQ of any priority cluster, indicating a strong advantage in Tulsa compared to the country as a whole. Businesses in the Energy cluster include: oil and gas extraction, electric power generation, and scientific research and development services.

Market Street identified two emerging target industries: Information Security, and Entertainment and Tourism. Currently, these industries possess the potential to become viable economic engines for the region, due to high growth potential and existing momentum within the region. However, compared to the nation, Tulsa does not have a competitive advantage in these fields. Market Street recommends keeping an eye on these industries in future years, because they possess the potential to become viable economic engines for regional economic development.

Table 7. Summary of Priority Clusters, Tulsa MSA (2007)

	Jobs	LQ	Average Wage
Transportation, Distribution and Logistics	27,652	0.99	\$48,343
Machinery and Electrical Equipment Manufacturing	11,994	2.80	\$52,343
Energy	10,932	3.19	\$78,850
Aviation and Aerospace	5,393	2.59	\$51,061
Health Care	N/A	N/A	N/A
Professional Services and Regional HQ	N/A	N/A	N/A

Source: Market Street “Marketing & Existing Targets Review: target Business Review” for Tulsa, OK. 7/2008.

Note: Market Street had insufficient data to calculate employment, location quotients and average wages for Health Care and Professional Services and Regional Headquarters clusters.

Recent investments in the Tourism industry include expansion and construction of the Convention Center, the BOK Center, and the ONEOK Field adjacent to downtown. Continued investments in tourism are necessary for Tulsa to develop a competitive advantage in this industry. The Information Security industry also shows promise, including the long-standing partnership between the National Security Agency and the University of Tulsa Information Security program.

The conclusion of the Market Street analysis was:

“Ultimately, growth of target industries is realized through strategies encompassing recruitment, retention and expansion of existing companies, entrepreneurship and small business development, workforce and training development, and optimization of local competitiveness. Importantly, determination of regional industries to target does not preclude the Tulsa Metro Chamber from acting on other development opportunities that may arise. These reactive activities are important, though the proactive targeting of priority regional growth industries will more effectively move Metro Tulsa towards greater economic diversity and sustainability.”

³ A location quotient measures the relative concentration of an industry. In this instance, Market Street compared a cluster’s portion of employment in the Tulsa MSA, to the cluster’s portion of employment nationally. Location quotients (LQs) higher than 1.0 indicate the cluster is more highly concentrated in the Tulsa economy, suggesting a comparative advantage in that cluster. Data limitations prevented Market Street from calculating LQs for the Health Care and Professional Services and Regional Headquarters clusters.

Entrepreneurship in Tulsa

For over 100 years, Tulsa's economy has been shaped to an extraordinary degree by ambitious entrepreneurs. Harry Sinclair and the Phillips brothers were among pioneering entrepreneurs in the first half of the 20th century. Williams Companies, QuikTrip, BOK Financial, and Bama Pie stand as proof that more recent entrepreneurial ventures can grow to be large, venerable, and loyal companies in Tulsa's future.

Even more important to Tulsa's economy are the thousands of small businesses that employ 80% of Tulsa's workforce. Forbes Magazine cites tax incentives, low startup costs, affordable homes, and friendly citizens as reasons for naming Tulsa one of the best places in the country to launch a business in 2009.

Entrepreneurship is important in sustaining economic growth and remaining competitive in a changing economy. However, entrepreneurship is a tricky area for the public sector to influence. A mix of cultural and economic forces combine to encourage entrepreneurial activity.

The State of Oklahoma is fertile ground for entrepreneurs. Oklahoma has received the "District of Creativity" distinction, which is an international designation for areas interested in fostering innovation, and entrepreneurial creativity. Statewide efforts to foster entrepreneurial activity include the Oklahoma Creativity Project. The project was launched in 2008 to showcase the creativity and innovation of Oklahomans in a variety of fields. The State's Small Employer Quality Jobs incentive honors small businesses in an even more commutable form, by offering up to a 5% rebate on wages paid for newly created jobs.

The City of Tulsa does not require general business licenses, which makes it difficult to measure the level of entrepreneurial activity in Tulsa, or analyze trends over time. The City should work with regional partners like the Tulsa Metro Chamber, Oklahoma Small Business Development Center, and other private, public, and nonprofit groups to improve methods for quantitatively monitoring the level of entrepreneurship in the region.

Conversations with representatives of groups who deal with small businesses identified a lack of funding as the main issue limiting entrepreneurial activity in Tulsa. Even before the global financial crisis in 2008, there were not many lenders willing to support local entrepreneurs with venture capital, though it is worth noting that several banks in the area are very supportive of small businesses once they've established themselves.

Another obstacle to entrepreneurship is a lack of access to the infrastructure and relationships needed to start a business. Local organizations focused on supporting entrepreneurship have expressed that there is a prevalent need for infrastructure in terms of start-up space, networking, funding, and mentoring for entrepreneurs. Given sufficient business infrastructure, the creative class in Tulsa has the talent and expertise to fuel long-term economic growth. Tulsa's institutions of higher education can play a key role here. For example, the International Business and Entrepreneurship Institute within the University of Tulsa Collins College of Business offers students a gateway to "real world" entrepreneurial ventures.

Economic Development

Part II:

PLANiTULSA Economic Development Priorities

PRIORITY 1

Spur and Support Entrepreneurial Ventures and Small Businesses

Entrepreneurship and innovation fuel business creation and economic growth. Entrepreneurs are creative, intelligent individuals with big ideas that could lead to successful new businesses. When these individuals are willing to accept the risk of starting a business, and given the necessary guidance, technical assistance, and access to capital then their ideas can lead to successful new companies that transform Tulsa's economy.

Small businesses (generally defined by having less than 100 employees) are another key component of a strong economy. These small businesses are found in every industry sector. Although entrepreneurship and small businesses are closely linked, we discuss each of them separately in this section.

Entrepreneurship

Fear is one barrier common to those with new business ideas. A contributing factor is the lack of knowledge about how to start a business. The City of Tulsa, and other regional partners (the Tulsa Metro Chamber, colleges/universities, foundations, etc.), can be a catalyst for entrepreneurial activity by: providing education and training for would be entrepreneurs to increase their chances of success, being accessible to answer questions, help with rules/regulations, permits, and documents, providing links to resources, and creating a climate that encourages entrepreneurship.

Accessibility means being where people shop, meet, or bank with business start-up experts. The City should be accessible and responsive to all prospective entrepreneurs, with a variety of business ideas — because you never know what next idea will make it big. Someone who is unemployed in Tulsa could

Tulsa's economic development plan should be focused on top priorities to maximize their effectiveness. Clearly articulating these priorities will also help coordinate the economic development efforts of regional partners (both private and public). We have identified four main priorities for the Tulsa economic development plan:

- **Spur and support entrepreneurial ventures and small businesses.**
 - **Connect education and training institutions with private and public sectors.**
 - **Retain industry clusters that are strong now, cultivate new clusters with future potential.**
 - **Support aggregation of employers downtown and in neighborhood and regional centers.**
-

have the idea for the next Bama Pie or Nordam, but they need that spark or encouragement to step forward and take that chance.

The City has a one-stop center for permitting, zoning, and licenses. This concept should be expanded to include other services necessary for prospective entrepreneurs, like business assistance, low interest loans, grants, access to mentors, etc.

During economic downturns it is particularly important to focus on entrepreneurial activity. New businesses started at the end of a recession can have a higher success rate than businesses started at other times in the economic cycle. This is due largely to the availability of skilled labor, less competition, and lower costs of doing business.

Small Business

Small businesses play a critical role in Tulsa's economy. Statewide, small businesses (those with less than 100 employees) accounted for 40% of total employment in 2005.⁴ Small businesses support neighborhood commercial districts, providing entertainment, shopping, and services. These businesses contribute to the City's quality of life, and create vibrant neighborhoods where people want to live and work. Supporting small businesses will strengthen Tulsa's economy for years to come.

Most large businesses started small with a good idea and hard work. When these businesses evolve locally they often build a strong allegiance to the community, even if they branch out nationally or internationally. It is important for the City to continue to communicate with and nurture these firms with assistance programs and tools to help retain them in the city or metro area. Retaining and growing small businesses needs

to be a central theme in the city/regional economic development plan and strategy. Expanding and diversifying the economy effectively starts with small businesses. Essentially, a large corporation is the product of a successful small business. The small businesses of today that are able to survive may choose to grow into the big corporations of tomorrow. The role of the City and its partners is to provide assistance programs and a nurturing environment for these local businesses to thrive.

PRIORITY 2

Connect Education and Training Institutions with Private/Public Sectors

Education is a fundamental tool for successful, sustainable economic development. A highly-educated work force with the skills and training necessary for growing industries is vital for Tulsa to compete in the global economy. Tulsa is fortunate to have a number of public and private institutions of higher-education in the region, including:

- Community Care College
- Langston University
- Northeastern State University
- Oklahoma State University - Tulsa
- Oklahoma Wesleyan University
- Oral Roberts University
- Platt College
- Southern Nazarene University – Tulsa
- Spartan College of Aeronautics and Technology
- St. Gregory's College for Working Adults
- Tulsa Community College
- Tulsa Technology Center
- University of Oklahoma – Tulsa
- University of Phoenix
- University of Tulsa
- Vatterott College

⁴ U.S. Census Bureau Business Dynamics Statistics, accessed on 10/5/2009.

These higher education institutions are centers of innovation and workforce development and play a role in economic development in the region. However, these efforts are separate and fractured, and lack coordination at the regional level. The City should identify the significant research capabilities and economic development efforts of each institution, and look for opportunities for collaboration among public agencies, private businesses, and institutions of higher education.

Education plays a powerful role in providing the workforce with training necessary for a growing economy. The City should coordinate with regional institutions to align workforce development efforts to match the skills needed by target industries. To do this, the City must communicate with representatives of the industry clusters it has elected to focus on to understand what skills are most beneficial for their workforce. The City should then develop a coordinated approach with regional institutions to ensure the curricula focuses on developing these skills.

Workforce Oklahoma is a statewide workforce development system where business leaders, educators and employment professionals work together to achieve job growth, employee productivity and employer satisfaction. Offices in Tulsa provide a range of services to match up local businesses with qualified workers, provide training opportunities for Tulsa residents, and assist individuals in making career decisions. Additionally, Workforce Oklahoma puts a particular emphasis on careers in key industry clusters.

In addition to colleges and universities, K-12 schools play multiple economic development roles. First, having a high quality K-12 system helps attract and

retain high-quality firms and their employees, many of whom want the best education possible for their children. Second, not all high school graduates go on to various forms of higher education. Making sure these graduates have skills that can help launch their careers is important for Tulsa's economic and community health, as well as one's personal well-being. Finally, for those unable to complete high school, the K-12 system needs to provide links to alternative educational/training providers to help keep people and the community as productive as possible.

Oklahoma and the Tulsa community do an exemplary job of focusing on early education. Oklahoma has the best record of four-year-olds attending public preschool programs, in the nation.⁵ The City should work with K-12 schools to ensure all students have access to a quality education that prepares them to join the workforce or go on to higher education.

PRIORITY 3

Retain Industry Clusters That Are Strong Now, Cultivate New Clusters

Over the last 15 years, the description and evaluation of regional economies have increasingly turned to industrial clusters as the unit of analysis. The defining characteristics of a cluster are (1) multiple companies and institutions, (2) linked by interdependencies in the production of some related goods or services, and (3) operating in the same geographic region (usually defined as a metropolitan area or smaller).

⁵ According to the National Institute for Early Childhood Research (NIERR).

Earlier in this chapter, we discussed the target industry clusters that have been identified for Tulsa. These are clusters with the greatest potential to create new jobs and wealth in the region. The target clusters include:

- Aviation and Aerospace
- Health Care
- Professional Services and Regional Headquarters
- Energy
- Machinery and Electrical, Equipment Manufacturing
- Transportation, Distribution, and Logistics

These are expected to grow quickly, diversify the regional portfolio, contribute to a brand, or provide or suggest the presence of business opportunities and services that attract the creative class of workers and entrepreneurs.

Focusing economic development policies around these six key clusters can lead to a more efficient use of resources. It allows for the coordination of otherwise disparate efforts at business retention, expansion, and workforce development. Additionally, it allows the city, institutions of higher education, and other regional partners to develop in-depth knowledge and expertise in these disciplines and increase the likelihood of developing important innovations to fuel economic growth.

Another purpose of identifying target clusters is to assess the competitive advantages of the Tulsa region. These clusters were identified, in part, because they are larger and more concentrated in Tulsa than the nation as a whole. The city should investigate what led to the success of these clusters, and how can the city can protect, enhance, and capitalize on those factors. One way to do that is to interview and survey firms in target

clusters: Why are they here? What factors are most important to their growth? And what policies does the City have that affect those factors?

Collaboration is necessary for setting regional economic development policies. Different jurisdictions will have different competitive advantages. The City of Tulsa has an obligation to pursue economic development policies that are in the interest of the citizens it serves. There are several ways to do that, and some may be better for the rest of the region and, ultimately, the city itself. The economic development goals and strategies proposed in this plan consider the impacts to the larger region.

PRIORITY 4

Support Aggregation of Employers Downtown, in Centers and Existing Industrial Areas

The Downtown core, and other neighborhood and regional centers provide ideal opportunities for a high concentration of commercial and retail employers. At the same time, the City's existing industrial areas are a valuable asset for the community, providing many family-wage jobs for area residents. The needs of industrial employers are different than employers downtown or in neighborhood centers, so we discuss them in two separate sections.

Downtown and Centers

Development in downtown and other centers is a key component of creating a sustainable city, allowing for a more efficient use of land and improved mobility. A vibrant downtown is important for maintaining a high quality of life for Tulsa residents and businesses. The Land Use Chapter and the city's Tulsa Downtown Master Plan goes into greater detail on the role of downtown in providing employment, housing, entertainment, shopping, and other services. Other important centers include the Eastgate Metroplex, a

former shopping mall that has been converted into a business center with commercial offices and start-up companies. Plans for the center include the addition of retail components to service local demand, as well as mixed-use housing and a new neighborhood on an adjacent site. Northland, in Tulsa North, also represents an opportunity for locating employment, local-serving retail, and a mix of housing options.

The aggregation of employment downtown and in various centers is critical to the success of these neighborhoods. Maintaining a jobs / housing balance in these areas allows residents to work closer to their homes, reducing the cost and time of their daily commute, and allowing them to take advantage of alternative transportation options.

Employers and residents in these centers are also offered opportunities for shopping, dining, entertainment and other services. As more people work and live in them, additional services are provided and these centers, will become even more desirable places to live, contributing to a vibrant urban economy and environment.

Encouraging employers to locate near one another in a dense urban environment also tends to support collaboration among firms, strengthening connections between the private and public sectors, as well as institutions of higher learning. Aggregating employers downtown will facilitate interactions among firms and employees, supporting innovation and collaboration.

The historic building stock in downtown provides appealing space for small businesses and start-ups. Financial incentives already exist for rehabilitation and adaptive reuse of these buildings. The federal government offers historic tax credits for reuse of historic buildings, and the State of Oklahoma matches these credits. By taking advantage of these credits, building owners can afford to improve these buildings

to make them more attractive to small businesses. The community benefits from reduced vacancies downtown, and greater inducement to experience new development on vacant surface lots, which then creates a more dynamic downtown.

Perhaps most importantly, focusing growth downtown and in various centers is a sustainable development pattern. Development patterns of the past 50 years have been characterized by suburban sprawl, with residential and employment moving further away from city cores to take advantage of cheap land and reduced congestion. However, these development patterns are unsustainable, consuming large amounts of open space, increasing our dependence on single-occupancy vehicle (SOV) commutes, expanding the costs of providing urban services, and contributing to environmental hazards. By focusing on compact urban development in downtown and various neighborhood centers, the City of Tulsa will take the lead in acting locally to increase the efficiencies of investing public dollars to grow the city, while at the same time combating these environmental challenges.

Existing Industrial Areas

Industrial development is an important component of a strong economy. Industrial firms provide high-paying jobs, and produce goods for export, bringing new money into the local economy. It can be challenging, however, to provide adequate land for industrial uses. In the past, these firms required lots of space on flat, affordable land, and needed be located away from residential and commercial areas, as they often generated noise, heavy truck traffic, and air pollution.

With modern pollution laws and other regulations, the line between industrial uses and other commercial uses is blurred. Industrial uses have an increasing need for high accessibility, visibility, and multi-modal transportation connections. Mixing employment

types can be beneficial for an area, for example, manufacturing artificial limbs in a medical complex, or putting restaurants in a manufacturing district.

To strengthen the industrial sector in Tulsa, a regional approach is required. Tulsa needs to work with neighboring jurisdictions to ensure there is an adequate supply of industrial land. The first step is projecting demand for industrial land for the future. Analyzing past development patterns, and future socio-demographic projections will allow Tulsa to make reasonable predictions on the amount of land required for future industrial development.

The region should maintain an inventory of developable industrial land. All jurisdictions in the region should coordinate their land use planning and zoning efforts to ensure that sufficient land is set aside to accommodate long-term industrial development. It is likely that much of this land will be outside the City of Tulsa, where land is more affordable, and it is easier to avoid conflicts with incompatible adjacent land uses.

The inventory of developable land should be kept up-to-date, and be made available online for prospective developers. All relevant site characteristics should be recorded, including a description of the infrastructure serving the sites. “Shovel ready” sites, those with all necessary infrastructure to support immediate development, should be marketed and promoted for industrial firms considering relocating to the Tulsa region.

The importance of adequate infrastructure in attracting industrial development should not be overlooked. Ensuring there is vacant land available with the appropriate zoning is a start. However, industrial firms often have specific infrastructure needs. Transportation access is of critical importance. Industrial users need adequate transportation access to ship their products by truck and by heavy rail. Some users may also require

access to sea or air ports. Additionally, many industrial firms use large amounts of water, wastewater, and electricity. To attract industrial development, whether for expanding existing companies or recruiting new ones, Tulsa needs to ensure that vacant industrial land has access to the variety of infrastructure that companies and developers may require.

Land within the City of Tulsa may not be appropriate for all industrial development. Many industrial firms do not need to be centrally located, where land is relatively scarce, and rents are high. Land outside of Tulsa, at the urban fringe, could be better suited for some industrial firms, particularly those that are likely to conflict with other urban land uses.

Areas within the City of Tulsa that are already zoned for industrial development should be marketed towards industrial firms that are compatible with other urban users, e.g., those that require relatively small lot sizes, and emit low levels of noise and air pollution. These types of industrial uses are becoming more prevalent, and in many cases segregation of commercial uses and urban industrial uses is no longer beneficial. General employment zones should be able to accommodate industrial development and a wide variety of other employment types.

The City’s efforts at business recruitment should focus on attracting companies that will strengthen existing industry clusters. Target clusters with a significant industrial component include: Aviation and Aerospace, Energy, and Machinery and Electrical Equipment Manufacturing. Tulsa International Airport should play a central role in industrial development efforts targeted towards the aviation and aerospace cluster.

Another target cluster, health care, may not seem to fit the category of industrial development. However, this cluster includes more than just hospitals, nursing homes, and ambulatory health centers. The health care

cluster includes scientific research and development services, as well as manufacturing of pharmaceuticals, medicines, and medical equipment and supplies.

The health care industry is an important and growing industry cluster in Tulsa. Nationally, of the twenty occupations expected to grow the fastest between 2006 and 2016, nine of them are in the health care field. It is reported by the Tulsa Metro Chamber that health care employment represented 30,000 workers, and contributed \$1.4 billion in payroll income to the Tulsa economy. The Target Business Review, conducted by Market Street indicated that short- and long-term challenges for Tulsa's health care industry will be competition for qualified workers. While the region's educational institutions graduate well-trained personnel, they are often drawn to other regional markets.

Although the city cannot necessarily affect wage prices, it can assist the local health care industry to attract and retain workers by encouraging the creation of medical districts to facilitate the growing need for medical services, the supply of high-quality housing, ancillary services and facilities including medical office buildings, and amenities near medical centers. These efforts can help reduce transportation costs for workers, support high-capacity transit investments that also serve other parts of the city, and enhance the value of these areas with additional businesses and services.

Health care institutions frequently engage in master planning efforts. These plans often are closely held because they involve sensitive land acquisition issues. However, when an expansion or change is planned, some collaboration and negotiation between the health care institution, the city and neighbors is needed. Resolving issues between the campus and neighborhoods early, rather than during implementation can greatly improve relations in and around the district. Furthermore, the city and neighbors can identify investments or synergies

near the campus that may benefit the surrounding area. Tulsa University's recent effort for their campus plan, which involved a great deal of engagement with the city and neighbors, is a fine example for other institutions around the city.

Major health care providers and health care training institutions in Tulsa include (in alphabetical order):

- Community Health Connection
- Hillcrest Health Care System
- Morton Health Center
- Oklahoma State University Medical Center/
Center for Health Sciences
- Southcrest Hospital
- St. Francis Health System
- St. John Health System
- Tulsa Community College
- Tulsa Technology Center
- University of Oklahoma-Tulsa School of
Community Medicine
- University of Tulsa (TU)

Tulsa should leverage its regional assets, including numerous hospitals, medical centers, and institutions of higher education to become more competitive in the industrial sectors of the health care cluster.

A highly skilled and educated workforce is necessary to attract industrial development. These jobs often require very specific training, and extensive experience. Tulsa should coordinate with regional universities, community colleges, and other institutions of higher education to ensure students receive the necessary education and training to work in growing industrial sectors. Tulsa's workforce is already educated in sectors identified as key clusters. Existing firms in these clusters have helped Tulsa develop a skilled labor pool. Tulsa can capitalize on these skills, by attracting new industrial development in these clusters.

Guiding Principles for Economic Development

Capturing these hopes, dreams and aspirations for Tulsa's future is essential as we move forward in making our future vision a reality. The Citizens' Team, a diverse group of volunteers, developed the following guiding principles. These principles serve as the foundation for future planning efforts, and will ensure that the comprehensive plan remains consistent with the vision.

- Downtown Tulsa acts as a thriving economic engine and cultural center for the entire region.
- Entrepreneurs, small businesses and large employers find Tulsa an easy place to do business.
- Business owners are able to easily find adequate and attractive space for expanding businesses into downtown, along main streets, or in employment centers.
- The city invests in the critical infrastructure necessary to develop a robust and diversified economy.
- The city has the ability to monitor trends, spot key opportunities and meet challenges strategically.
- Schools are safe, easy to walk to, and part of a world-class education system.
- Employment areas provide nearby access to services such as child care, groceries and restaurants.
- Tulsa has pockets of density to provide for a more livable, pedestrian-friendly and cost-efficient community.
- Tulsa's civic, business and government institutions ensure that everyone has equal opportunity and access to housing, employment, transportation, education and health care, regardless of background, ethnicity, or neighborhood.

Economic Development

Part III: Priorities, Goals & Policies

This section is organized into priorities, goals and policies that if followed will move Tulsa towards the community's vision.

Priorities are the big idea topical areas that address the guiding principles. They capture big picture changes that must occur to implement the plan.

Goals establish specific, measurable, attainable and realistic objectives that guide plan implementation by ensuring that the community and stakeholders have a clear awareness of what must happen to move Tulsa toward the Vision.

Policies delineate the steps needed to achieve the goals.

IMPLEMENTATION & ACTION PLAN:

*In addition to **priorities, goals and policies**, the Plan recommends the **Strategic Actions** that should be taken in the first 3 to 5 years following plan adoption. These strategic actions are found in the Implementation and Action plan.*

Economic Development Priorities

Economic Development decisions should be focused on improving the quality of life of all of Tulsa’s citizens so that Tulsans in all parts of the city benefit from future growth and development. *Our Vision for Tulsa* provides an overview of the top economic development priorities. This section includes detailed priorities, goals and polices that build on the land use priorities described in the Vision.

Many of these goals and priorities will require substantial input from the business community, and therefore coordination with various chambers will play a key role. Where appropriate to accomplish these goals, the City should look to form collaborative partnerships with privately funded economic development organizations.

ECONOMIC PRIORITY 1 Spur and Support Entrepreneurial Ventures and Small Businesses

Goal 1—
Businesses have easy access to a full range of economic development assistance. Policies to support this goal include:

- 1.1 Establish a one-stop shop within the City where businesses can access information on all economic development programs and redevelopment tools.
- 1.2 Provide an economic development tool kit that identifies all available City, state and federal programs including loans, grants and technical assistance programs available to businesses.
- 1.3 Streamline the permitting process to improve efficiency of doing business with the City. Businesses looking to relocate, or expand in Tulsa, and entrepreneurs interested in starting a new business must overcome a number of hurdles. The City should examine the wide-range of services provided to businesses and

entrepreneurs (design review, licenses, etc.) to ensure the process is as efficient and user friendly as possible.

- 1.4 Provide economic development training for elected officials and key City staff members to ensure City leaders are knowledgeable about economic development issues, trends, and tools.
- 1.5 Eliminate existing barriers to small business development found in the zoning code. These barriers include high parking requirements in dense urban areas, which limit the utility of the land and prevent reuse of existing storefronts and business space by small entrepreneur with limited time and resources.

Goal 2—
Entrepreneurs have thriving businesses and contribute to the local economy. Policies to support this goal include:

- 2.1 Expand revolving loan funds and technical assistance for small and micro business start-ups.

- 2.2 Collaborate with non-profits that provide assistance to entrepreneurs and innovators through incubation facilities, trainings, support services.
- 2.3 Ensure local universities and community colleges provide adequate training for aspiring entrepreneurs and the workforce skills their emerging companies will need.

ECONOMIC PRIORITY 2 Connect Education and Training Institutions with Private and Public Sectors

Goal 3—

The City, local chambers of commerce, and other privately funded economic development organizations work closely with institutions of higher education to collaborate on economic development policies and implementation. Policies to support this goal include:

- 3.1. Develop and refine pertinent programs and curricula to better address job skills required for employment in target industry clusters including priority targets such as Aviation and Aerospace; Health Care; Professional Services and Regional Headquarters; Energy; Machinery and Electrical Equipment Manufacturing; and Transportation, Distribution and Logistics. Emerging targets include Information Security, Entertainment and Tourism. Curricula should also stress leadership and entrepreneurial skills that will benefit students, regardless of which industry sector they choose to work in.
- 3.2. Establish/expand internship opportunities with local businesses and public agencies for high school, trade school and college/university students.

- 3.3. Collaborate with colleges and universities, the public school system and other large public agencies to adopt procurement policies that more strongly support local businesses particularly those owned by minorities and women, as well as those which are newly emerging.

ECONOMIC PRIORITY 3 Retain Industry Clusters That Are Strong Now, Cultivate New Clusters

Goal 4—

Investment strategies support existing and emerging industry clusters. Policies to support this goal include:

- 4.1 Work with industry leaders in target clusters to identify public and private actions and investments to strengthen competitive advantages of the region.
- 4.2 Prioritize infrastructure projects that support retention and expansion of businesses in target clusters.
- 4.3 Utilize land within the city effectively by taking advantage of existing infrastructure, assistance programs and tools to help existing clusters expand and nourish the next generation of clusters.
- 4.4 Partner with health care and educational institutions to develop plans and implementation strategies for the creation of medical, hospital or educational districts that can accommodate growing needs of medical facilities, the supply high quality housing and supporting businesses and services for employees and clients.

- 4.5 Encourage health care and educational institutions to continue to define their space and operating requirements through campus plans, to share campus plans with the city and campus neighbors and to ensure that boundaries will interface well with the surrounding district. This can be accomplished through small area plans, planned unit developments, campus district zone changes, or similar processes that include robust public involvement.
 - 4.6 The city should leverage the economic activity generated by health care and educational institutions such as demand for housing, services, retail, lodging and office uses nearby, as part of or in coordination with campus planning efforts.
 - 4.7 Coordinate campus district planning with transit planning and investments.
 - 4.8 Promote the continued growth and development of industry clusters and sectors, as key components in the quality of life of all Tulsa's citizens while recognizing that all parts of the city benefit from the continued growth and development of industry clusters and sectors.
- quality, in-fill development. Examples include adding mixed-use zoning districts, and creating a parking overlay district (in combination with reduced parking requirements).
 - 5.2 Release a small number of RFQs for demonstration projects that exemplify the desired sustainable in-fill development types on publicly-owned parcels.
 - 5.3 Develop a phased approach and financing plan for multi-modal transportation infrastructure that includes bikes, streetcar, bus rapid transit, and light rail.

*Goal 6—
Downtown Tulsa is the core of the regional economy. Policies to support this goal include:*

- 6.1 Expand the development tool kit to enable adaptive re-use and occupancy of historic and viable older buildings downtown that are currently vacant. This should include designation of National Register districts in downtown, enlarging the tax increment area to incorporate the entire downtown, and offering property tax freezes on historic buildings to further encourage their adaptive re-use.
- 6.2 Enter into partnerships and provide appropriate tools that will bring about more new, sustainable mixed-use, and residential development on vacant or underutilized sites owned by the private sector, public agencies and religious institutions.
- 6.3 Examine and apply alternative ways to utilize the City's parking authority so that it can become a more effective vehicle in stimulating adaptive re-use and new mixed-use development.

ECONOMIC PRIORITY 4 Support Aggregation of Employers Downtown, Neighborhood and Regional Centers, and Existing Industrial Areas

*Goal 5—
New development supports vibrant, sustainable, transit-oriented communities. Policies to support this goal include:*

- 5.1 Revise City code to encourage infill development, and provide developers with guidelines and design prototypes for attractive,

Goal 7—

Ensure the region maintains an adequate supply of land to accommodate long-term demand for industrial development, in collaboration with privately funded economic development organizations. Policies to support this goal include:

- 7.1 Maintain a database of shovel-ready industrial sites with adequate infrastructure to rapidly respond to potential industrial development.
- 7.2 Capture Tulsa's share of industrial development through aggressive marketing, application of Enterprise Zones and other economic development tools. This will support higher job-density in the City, and a more efficient development pattern that takes advantage of vacant sites within the City, and existing infrastructure.
- 7.3 Assemble industrial sites under public ownership where appropriate (through the Port and/ or redevelopment authority) so they can be prepared, marketed and disposed of to industries that meet city and regional goals such as targeted industries and/or quality jobs.

Goal 8—

Tulsa's industrial development efforts focus on target clusters. Policies to support this goal include:

- 8.1 Offer tax credits, land assembly assistance, or other incentives for industrial development in target cluster industries that emerge locally or are attracted to the City with the potential to support existing businesses in target clusters.
- 8.2 Bolster the database of shovel-ready industrial sites, with information on site characteristics that would be desirable for target clusters. For example, describe connections and proximity

to assets and infrastructure, e.g., sites near the Tulsa International Airport to attract firms in the Aviation and Aerospace cluster, or distance to major freeways to attract firms in the Transportation, Distribution, and Logistics cluster.

Goal 9—

The City's labor force has the education and skills to support industrial firms. Policies to support this goal include:

- 9.1 Work with local unions, guilds, labor organizations, and trade schools to encourage increased participation and membership from Tulsa's young adults, and others entering the work force. Look for ways to expand apprenticeships and other educational opportunities for individuals from diverse socioeconomic backgrounds.
- 9.2 Collaborate with labor organizations and higher education institutions to provide educational opportunities for older workers that need to adapt their skills to new careers.
- 9.3 The City should collaborate with schools, and higher education institutions to ensure curricula provide students with the education and skills to be successful in the work force. This should include skills to succeed in industrial sectors that are strong today, and/or expected to grow in the future.