

TULSA'S ECONOMIC DEVELOPMENT FRAMEWORK

Executive Summary

December 2020

CONTEXT

Tulsa is emerging as one of America's great cities.

Tulsa's economy is on the cusp of becoming a national contender for sustainable wage companies and high skill talent. Just this year, international companies like Tesla and Muncie Power Products knocked on Tulsa's door, downtown investment continued to surge, **and job growth exceeded U.S. rates by 47 percent.** With a dedicated and innovative philanthropic sector, Tulsa's daring ambition has transformed the city into an **attractive, exciting hub of economic activity** in the Heartland.

However, this economic transformation has so far bypassed too many Tulsans and too many neighborhoods.

If anything, the city's vibrant downtown and surging reputation underscore **disparities in access to economic opportunity** dating back to the era of forced segregation, job discrimination, and the 1921 Race Massacre that devastated Tulsa's prosperous Black economy. A century later, Black Tulsan households still live on 40% less than White Tulsan households, and eviction rates are 1.6 times higher in majority-minority Census tracts than in majority white tracts.



STUDY OBJECTIVES



Land at the Peoria-Mohawk Business Park and TIF

Economic development in Tulsa is at an inflection point.

Facing fractured economic development ecosystems, many Middle American cities are reconfiguring—even merging—their economic development entities.

Nimbleness has become the new standard. Cities can no longer wait for prospective clients, investors, and companies to come to them. They must do the work of building smart cities, furthering investments that create great places and cultivate a robust, strong community where individuals can start and grow their own businesses.

The City of Tulsa retained HR&A Advisors to determine **how its economic and community development functions could be structured for greatest effectiveness.**

This resulting Framework represents Tulsa's **next step in its visionary pursuit of economic prosperity for all residents.**

The focus of the study is to capitalize on the City's strengths, increase its economic competitiveness, and better accomplish citywide priorities for inclusive economic and community development. As such, analysis focused on **how best to align the activities, missions, and structures of seven key City economic development entities.** The recommendations that follow seek to:

- Recommend effective **policies and organizational changes** that align public-facing departments, boards, and authorities to better serve Tulsans.
- Leverage Tulsa's strengths to position the City for **long-term growth and upward mobility.**
- Lay the groundwork for decision-making processes that **give voice** to those whom the City supports.
- Equip the City of Tulsa with the right tools, programs, and strategies to **make a meaningful difference** for Tulsa's historically marginalized communities.

PROJECT APPROACH

This plan sets a structural framework to deliver upon the City's strategic goals.

The HR&A team began work in early 2020, collaborating with City leadership and staff to create an **inclusive strategy for effectively aligning Tulsa's economic development apparatus with its overarching strategic goals**, capitalizing on Tulsa's strengths and building on the momentum of the city's recent successes. The strategy focuses on seven of the City's core departments, commissions and authorities that deliver economic and community development services.

The strategy is anchored in the vision set forth in the City's 2018 strategic plan, the AIM Plan, which sets forth a mission to **build the foundation for economic prosperity, improved health and enhanced quality of life for the Tulsa community**.

Entities Under Review

MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT (MOED)

- Primary municipal economic development body in Tulsa.
- Manage strategies to grow Tulsa's population, quality jobs, workforce, businesses, and tourist footprint.

MAYOR'S OFFICE

- Includes appointed staff for Mayor G.T. Bynum
- Select staff manage Tulsa's affordable housing, planning, education, and equitable development strategies, as well as other key City programs.

ECONOMIC DEVELOPMENT COMMISSION (EDC)

- Advises on Fund 130 (EDC Fund) allocation.
- Contract oversight for economic and tourism development efforts with external entities.

TULSA DEVELOPMENT AUTHORITY (TDA)

- Purchase, manage, and sell properties to support neighborhood development
- Have Eminent Domain powers
- Issue sector plans for residential and commercial revitalization

TULSA INDUSTRIAL AUTHORITY (TIA)

- Manage newly established TIF districts for the City
- Formerly more involved in issuing bonds and brownfield remediation
- Lease Airport Hangar

TULSA PARKING AUTHORITY (TPA)

- Manage and maintain parking assets
- Can issue revenue bonds

TULSA PUBLIC FACILITIES AUTHORITY (TPFA)

- Primary issuer of revenue bonds
- Lease and manage capital improvement for major City assets

VISION

Rethinking Tulsa's economic development apparatus will unlock new opportunities to profoundly advance inclusive economic prosperity.

This proposed framework represents a meaningful **change in how Tulsa conceptualizes economic and community development**, particularly the impactful role of municipal government to deploy policy and leverage its assets to advance change.

The framework suggests an **evolution** in Tulsa's aspirations for its own economic future and suggests a **heightened focus on investment in inclusive economic development** in Tulsa.

When implemented, the reorientation of the City's economic development apparatus will put Tulsa on a **short list of cities** pursuing a new, innovative approach to **inclusive growth**.

This framework recommends that the City consolidate most of its economic development functions into a new economic development entity (EDE).

A series of practical considerations will position the new EDE for success:

- A **clear mission and vision** will unambiguously articulate the City's role in advancing economic development goals and citywide strategy, whether as a leader, convener, or supporter of civic partners.
- With an **independent, professionally staffed and equity-minded entity**, the City's economic and community development efforts will be more credible, more accountable, and more proactive.



Groundbreaking at Evans-Fintube site

- A **cohesive reporting structure** will break down siloes, eliminate redundancies, and centralize municipal economic development resources and powers for greater impact.
- With a curated set of **targeted, mission-aligned performance goals**, the City can measure progress and refocus its resources on the initiatives that matter most.

VISION

Tulsans will benefit from an EDE with a long-term strategy focused on equity and inclusion.

The new EDE will be governed by a **single independent board comprised of diverse individuals with a mix of relevant skillsets**. This board should reflect the racial, ethnic and gender diversity of Tulsa, bringing new voices, perspectives, and experience to the table. This structure also provides continuity across mayoral administrations.

With a team of professionals working strategically toward lofty goals, this shift would allow access to a **breadth of expertise and on-the-ground experience** not otherwise available. Staff will be able to focus on high-impact projects instead of administrative support.

Tulsa young entrepreneurs

Source: USA Today

Tulsans will know how the EDE is investing taxpayer money.

The formation of an EDE would ensure the **most impactful use of the City's economic development resources**. Tulsans will see more accountability and transparency in the \$266 million in capital assets and funds collectively housed across entities. In doing so, the City becomes a stronger steward of taxpayer dollars, **turning City-owned liabilities into publicly leveraged assets**, ensuring economic and community development goals maximize the return on investment.



All Tulsa communities will be included.

By granting more access to those who historically have not had it and bringing tools, resources, and networks to the forefront for all to leverage, this **new approach to economic development seeks to level the playing field**. This represents a shift away from processes that have historically felt difficult to navigate and peels back the curtain for **all Tulsans to thrive and reach their full potential**.

MISSION & OBJECTIVES



Is the economic development mission clear, generally understood, and conducive to demonstrable fulfillment?

How does mission align with the needs and values of the City's partners, key stakeholders, and residents?

Findings

While the authorities, boards and commissions under study have spearheaded meaningful investments for Tulsa, their collective missions are not representative of the City's AIM goals.

The City's current approach leaves most of its economic and community development priorities outside of its sphere of influence. Resource allocations and program offerings do not align with the City's broader policy priorities, and there has been a lack of clarity on what role the City should play in advancing Tulsa's economic and community development priorities.

Recommendations

The City should establish an economic development mission with an explicit focus on shared prosperity and racial equity.

1. Given that Tulsa's economic development priorities have changed over time, the City must reevaluate the roles that it wants to play in advancing the goals articulated in the AIM Plan and recent citywide strategies.
2. The City should translate this overarching vision for its role in economic development into a formal mission and set of organizational approaches.
3. The City should curate a set of targeted, mission-aligned performance goals for its economic development activities, with the intent of measuring and reporting its progress.
4. The City should operationalize its vision and mission statement by reconfiguring its dispersed economic development functions so that all activities build towards the larger goals of shared prosperity and racial equity.

STRUCTURE & GOVERNANCE



Is the structure of governance and decision-making clear, transparent, effective, and efficient?

Findings

While the City's entities have made significant contributions to advance economic development in Tulsa, each operates independently and lacks a holistic focus.

Though each entity advances economic development through its scope of work, the absence of a cohesive reporting structure complicates coordination and gives rise to redundancies.

In Tulsa, well-selected and well-run independent boards bring credibility and consistency to the City's economic and community development efforts, and there are legally permissible ways for the City to reconfigure its economic development functions without running afoul of statutory requirements.

Recommendations

The City should streamline and consolidate its functions under a single independent economic development entity with a clear charge.

5. The City should consolidate the majority of its economic development functions into a single economic development entity (EDE).
6. The EDE should be governed by a single independent board, with 5 EDE board members holding synchronous appointments on the TDA board.
7. In aggregate, the EDE Board should encompass a mix of relevant skillsets and reflect the racial, ethnic, and gender diversity of Tulsa.
8. To ensure a diverse pipeline of future board members, the Mayor should employ robust nomination and ongoing recruitment processes.
9. A comprehensive, user-friendly onboarding curriculum should be assembled and shared with all incoming EDE Board members and new staff.
10. A management agreement should be put in place to enhance accountability to Tulsa taxpayers.

FUNDS & ASSETS



Are resources and assets deployed, managed, allocated, and communicated effectively?

Findings

Given that each entity under study manages its funds and assets independently, it's difficult to fully ascertain the full extent of economic assets, resources, investments, and activities across the city.

Current reporting conventions offer insufficient transparency or insight into how public dollars are deployed for economic development purposes. Furthermore, siloed resource allocation serve the best interests of individual authorities but may not represent the most impactful use of the City's economic development resources overall. In particular, the Authorities' real estate portfolio could be managed and curated more strategically, in ways that more tangibly advance the City's overall economic development mission.

Recommendations

The City should structure a clearer understanding of its economic development activities and consolidate the funds and assets dedicated to economic development under the new EDE. Doing so can better position the EDE to strategically deploy those resources to drive programs and projects toward mission-driven, equity-focused goals.

11. The City Finance Department should track all public dollars deployed for economic development purposes, integrating these revenues and transfers as standard components of the annual budget process.
12. The EDE should launch a strategic review of the consolidated asset portfolio, culminating in mission-centered disposition goals and timeline.

OPERATIONAL EFFICIENCIES



Are staff appropriately skilled and resourced to perform tasks at hand?

Are internal processes and procedures well-suited to their purposes and efficiently carried out?

Findings

Outside of the City departments, there are few full-time entity staff carrying out day-to-day economic development operations.

Despite the presence of some very talented staff, resources are limited and largely monopolized by procedural tasks, leaving little bandwidth for nimble or proactive initiatives. Inconsistent process documentation, performance monitoring, and use of decision-making criteria hinder transparency, accountability, and succession planning. Fortunately, there are already systems in place that allow experienced City staff to provide specialized support to other Tulsa Authorities.

Recommendations

The EDE should reflect a new unified staffing structure, offering an opportunity to strengthen operational efficiencies and focus the organization on its core mission.

13. The EDE should execute its activities using a shared staffing configuration.
14. Using TARE and TMUA as models, the EDE management agreement should allocate responsibilities for procedural tasks to those best positioned for efficient and cost-effective execution, be they EDE staff, City departments, or third-party contractors.
15. EDE staff should document standard operating procedures for all multi-step procedural workstreams that remain EDE responsibilities, such as land disposition, RFP issuance, or contract compliance oversight.
16. The EDE should embed the City's economic development mission statement into its staff roles and functions, clearly aligning job descriptions and specialized skillsets with overarching priorities.
17. The EDE should develop standardized decision-making guides or checklists to test the extent to which a particular investment opportunity aligns with the entity's broader mission and objectives.

PARTNERSHIPS & EXTERNAL ENGAGEMENT



How well is the organization's work communicated to outside stakeholders?

What is the format and scope of the organization's community engagement efforts?

Findings

Tulsa benefits from a rich set of external partners with which the City advances economic and community development.

Nonetheless, many external parties are unaware of the City's economic and community development priorities and key initiatives. Potential clients struggle to access the City's economic and community development offerings, reducing the type and number of Tulsans who benefit from municipal economic development resources. Finally, the current approach to community engagement has been inconsistent, creating confusion and, in some cases, failing to remedy longstanding community skepticism and mistrust of some of the organizations under review.

Recommendations

The City should reintroduce its role as a key partner in the economic development ecosystem, setting a strong plan for future communications, engagement, and community-driven guidance.

18. Leverage the release of the EDE's Strategic Plan and the launch of the consolidated entity as opportunities to reintroduce the City as a key actor in the economic development ecosystem.
19. Launch and regularly update a public-facing website for the consolidated EDE, designed with Tulsa businesses, and prospective investors and partners in mind.
20. Hire a community engagement specialist to centralize outreach and cultivate relationships with community leaders and potential partners.
21. Work with community and neighborhood group leaders to establish baseline expectations for community engagement, both for specific projects and for long-term input into the entity's priorities.
22. The consolidated economic development entity should consider ad hoc committees and task forces to enhance community engagement and inform board decision-making.

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