

OKC MARKET REPORT



**STATE CAPITAL
OF OKLAHOMA**



**CITY OF OKC
AREA SIZE**



**SYSTEM OF
GOVERNMENT**
City Manager, Elected Mayor & City Council



**OKC METRO
POPULATION**



**POPULATION
GROWTH**
2010-2020



Boeing Portfolio

Oklahoma City is a regional leader in aviation/aerospace, biotechnology, energy, transportation/logistics, and business services. Major employers include state and federal government, Tinker Air Force Base, higher education institutions, and healthcare providers. The OKC metro is home to several major companies' headquarters, including Paycom, Hobby Lobby, Love's Travel Stops & Country Stores, Devon Energy, American Fidelity, and Continental Resources.

In recent years, the metro has moved away from primarily oil and gas jobs with large aviation and biotechnology gains. E-commerce giant Amazon built a 2.6-million-square-foot fulfillment center in 2020 near Will Rogers World Airport and plans another 1-million-square-foot addition in 2021. Between new construction and leased space, it will bring Amazon's total footprint in the metro to 4.3 million square feet.

At the Interstate-35, Interstate-40, and Interstate-44 intersection, Oklahoma City is accessible to major markets via interstates, including Dallas 200 miles to the south. Will Rogers World Airport offers nonstop flights to destinations around the country, including direct access to the east and west coasts.

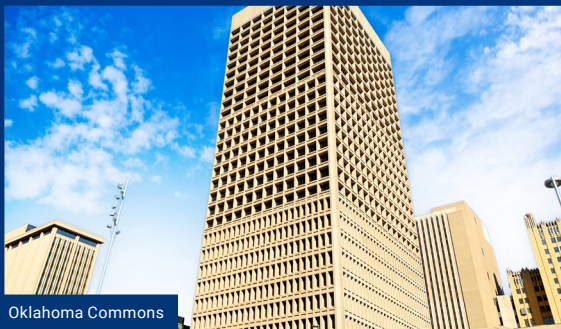
Despite the COVID-19 pandemic, the OKC metro weathered 2020 with minimal permanent job losses. The metro began 2020 with an unemployment rate of 2.9%. That number spiked to 14.8% in April. The U.S. Bureau of Labor Statistics reported OKC's unemployment rate for December 2020 had fallen to 4.8% after peaking in the spring and then gradually declining.



Aviare Arts

NOTABLE 2020 NEWMARK TRANSACTIONS

- **Boeing Portfolio, Office** | SE 59th St. and Air Depot Blvd. adjacent to Tinker AFB 3 buildings and 30 acres | 530,000 SF | \$125 million
- **Aviare Arts, Multifamily** | 800 N Oklahoma Ave. 303 units | \$58.9 million
- **Oklahoma Commons** *fka SandRidge Tower*, **Office** | 123 Robert S. Kerr Ave. 29-story tower and parking garage | \$35.5 million
- **Corken/Britton Commerce Center, Industrial** | Interstate-35 and Britton Road 156,000 SF | \$24.85 million



Oklahoma Commons

WHAT WE'RE WATCHING *Chesapeake Energy*

The company seeks a partner/user for much of the office space on its sprawling campus at NW 63rd and Western Ave. The company recently emerged from bankruptcy and has about 800 employees in OKC.

WHAT WE'RE EXCITED ABOUT *Innovation District*

Partnership between Robinson Park and Gardner Tanenbaum will develop 2.7 acres to house state-of-the-art facilities to promote cross-sector collaboration between aviation, aerospace, bioscience, and energy.



Corken/Britton Commerce Center

ECONOMIC DRIVERS

AEROSPACE

Tinker Air Force Base

- 30,689 total personnel
6,480 military | 4,660 military dependents | 17,203 civilians
- Annual Federal Payroll: \$1.76 billion
- Economic impact: \$4.83 billion

Private Sector Aviation

The Boeing Co. is the largest private aerospace employer and the largest federal contractor in Oklahoma with 3,660 employees. It is followed by Northrop Grumman with 807 employees. Skydwell Aero Inc. announced in mid-2020 it selected OKC for its corporate headquarters, bringing with it 120 engineering and tech positions. Unmanned aircraft company Kratos announced plans to hire about 400 employees to support its contract with the U.S. Air Force's Skyborg program.

The Greater OKC Chamber reported the local aerospace sector added 55 new companies and 6,640 employees between 2015 and 2020.

HEALTH CARE

INTEGRIS, SSM Health, Mercy, and others employ 82,000 workers in the region with 36 general medicine and surgical hospitals and specialty clinics.

PROF., BUSINESS, AND FINANCIAL SVCS.

More than 125,000 employees, or 18% of the local workforce, provide business and financial services nationwide.

BIOSCIENCE

Bioscience is booming in OKC and the sector employs 51,000 statewide providing goods, services, research, and education.

ATHLETICS

Professional, semi-pro, collegiate, and amateur events were put on hold in 2020. These reflect pre-COVID numbers. We expect these numbers to resume and grow in the coming years.



OKC Thunder

- 10 trips to the NBA playoffs
- One trip to the NBA Finals
- Average attendance: 18,203



OKC Energy FC

- USL Championship League
- Team plays at Taft Stadium
- Average attendance: 4,298



OKC Dodgers

- AAA franchise for the L.A. Dodgers MLB team
- Team plays at Chickasaw Bricktown Ballpark
- Average attendance: 6,471



NCAA College Women's World Series

- Attracts 70,000 visitors annually
- \$15M economic impact
- \$27.5M improvements underway



Memorial Marathon

- More than 24,000 runners annually
- \$10M economic impact
- 16,000 hotel room nights

*Sources: ESPN; Soccer Stadium Digest; MLB.com;
OKC Convention and Visitors Bureau*

Federal Aviation Administration

- 5,150 employees
- Operating budget: \$1.1B
- Second largest aerospace employer in the region

OKC has highest concentration of FAA civil servants and contractors outside of Washington, D.C.

ENERGY

Long known for its oil and gas companies, but due to a downturn and layoffs, the industry only accounts for 2% of metro employment, while companies like Devon and Continental remain strong players.

WHOLESALE AND RETAIL TRADE

At the intersection of major interstates, OKC is a trade center with total taxable retail sales in 2018 of \$23.8 billion.

MANUFACTURING

More than 38,000 people are employed in manufacturing in the OKC metro. It accounts for about 5% of the metro's nonagricultural labor force.

CITY FINANCES

The City of Oklahoma City pays for day-to-day operations from the General Fund. The largest contributor to that fund is sales tax, followed by use tax. Sales tax is derived from retail sales, and use tax comes from goods purchased elsewhere and shipped or brought to OKC, including purchases from online retailers.

General Fund sales tax collections for Dec. 2020 were about \$20.5M. That was just over \$277,000 or 1.4% above projections but \$1.7M or 7.8% below the same month in 2019.

SALES TAX RATE: 8.625%

City tax rate is 4.125%, the additional 4.5% goes to state and county. The 1¢ Temporary Sales Tax is for MAPS and other municipal projects.

4.125%
OF OVERALL
CITY TAX RATE



2¼¢ GENERAL FUND

⅛¢ ZOO

¾¢ PUBLIC SAFETY

1¢ TEMPORARY

PUBLIC, PRIVATE DEVELOPMENTS + MAPS 4



OU Medical Center North Tower
456,000 SF | November 2020



Heartland Headquarters
110,000 SF | July 2020



Omni Hotel
605 Rooms | January 2021

MAPS 4 PROJECTS

Parks

\$140 million will fund improvements to all of the parks in the city.

Youth Centers

\$110 million will fund four new youth centers to provide activities and education.

Senior Wellness Centers

\$15 million for a fifth Senior Wellness Center, and \$15 million for scholarships for low-income seniors.

Mental Health and Addiction

\$40 million for mental health and substance abuse services.

Family Justice Center

Operated by Palomar
\$38 million will pay for a family justice center for victims of abuse and violence.

Transit

\$87 million for upgrades, more buses and rapid transit lines.

Sidewalks, Bike Lanes, Trails and Streetlights

\$87 million dedicated to bike and pedestrian roads and trails.

Chesapeake Energy Arena

\$115 million for capital maintenance and improvements for tenants and fans.

Beautification

\$30 million for beautification projects around the city.

Homelessness

\$50 million to reduce homelessness with affordable housing options.

Animal Shelter

\$38 million for a city animal shelter to replace the current outdated facility.

Fairgrounds Coliseum

\$63 million to partially fund an arena that will replace the aging Jim Norick Arena.

Diversion Hub

\$17 million to work to keep low-level offenders out of jail.

Innovation District

\$71 million to create a hub of innovation in the OU Health Sciences area.

Freedom Center and Clara Luper Civil Rights Center

\$25 million to renovate Freedom Center and construct center to celebrate civil rights history.

Multipurpose Stadium

\$37 million for a multipurpose stadium to host outdoor sporting events downtown.

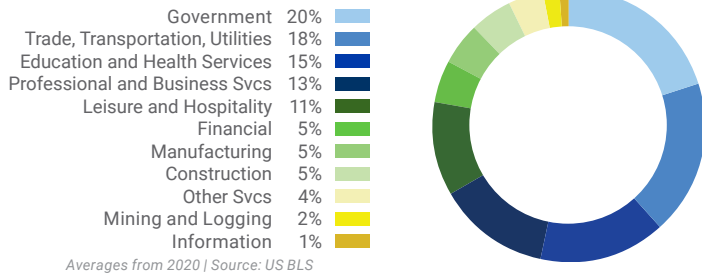
A study by the OKC Planning Department found that within a 3-block impact zone around the MAPS streetcar route, there has been more than \$1.6 billion value in public and private investment since 2011 alone. Even prior to that, Devon Energy began work in 2009 on its \$750 million headquarters downtown.

The OKC Chamber reports private property values within the three-block impact zone have grown by 115 percent since the route was proposed in 2011. Because of its location along the streetcar route, Heartland chose Automobile Alley to build its 7-story, 110,000 square foot headquarters. Tony Capucille, president of Heartland, cited the streetcar at the building's front door, and the vibrant energy downtown as the reason for building and bringing 345 employees downtown.

- Impact of public and private investments in MAPS totals more than \$7 billion
- Estimated private investment of \$3.9 billion between 1995 and 2018
- Property values downtown have nearly doubled, an increase of \$1.88 billion
- Since 2009, downtown has added 2,200 residents, accounting for growth of 20.8%
- 2,700 housing units were added downtown during that period
- 9,000 jobs added downtown
- John W. Rex Charter Elementary School built downtown

MARKET SUMMARY | 2021

INDUSTRY DIVERSITY

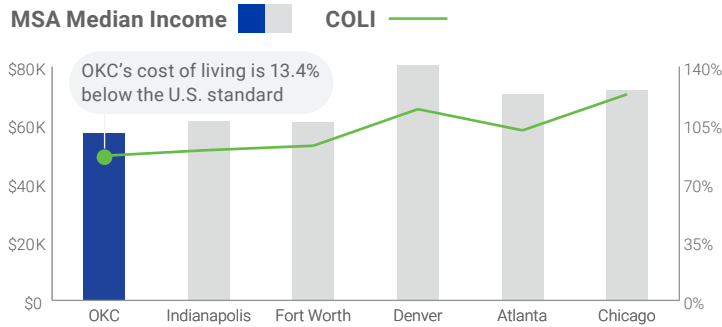


HIGHER ED. ENROLLMENT AVERAGES

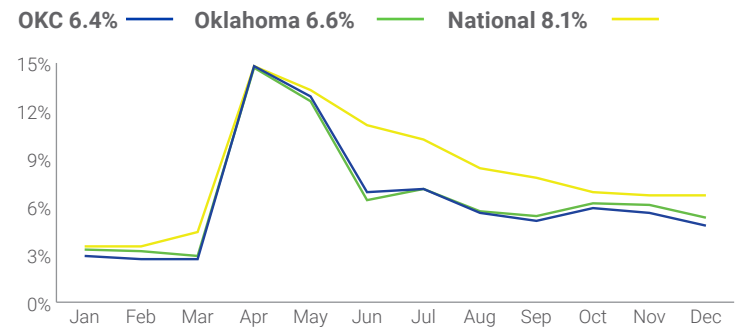
School	'19/'20	Type
University of Oklahoma - Norman OU Health Sciences Center - OKC	28,125	State four-year
Oklahoma State University	24,649	State four-year
University of Central Oklahoma	15,393	State four-year
Oklahoma City Community College	12,039	State two-year
Rose State College	7,420	State two-year
Oklahoma City University	2,284	Private four-year
Oklahoma Christian University	2,162	Private four-year

Source: Individual Colleges and Universities and CollegeSimply

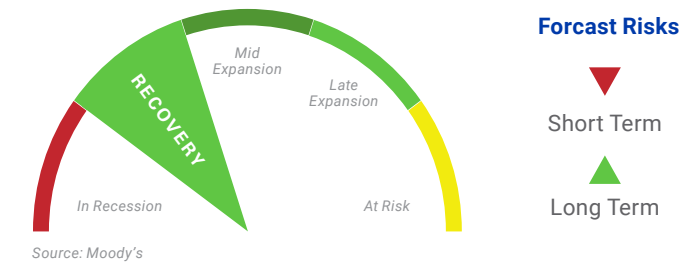
COST OF LIVING INDEX COMPARABLES



UNEMPLOYMENT RATE 2020



ECONOMIC CYCLE



KEY INDICATORS

2015	2016	2017	2018	Metric	2019	2020	2021	2022
1.36	1.37	1.38	1.39	Population (M)	1.40	1.42	1.43	1.44 ▲
3.9	4.3	3.9	2.8	Unemployment (%)	2.5	6.4	2.9	3.1 ▲
630	630	635	650	Employment (K)	661	661	661	666 ▲
53.2	54.5	56.3	58.6	Median HH Income (K)	60.9	62.3	63.7	65.5 ▲
			84.6	Cost of Living	85.4	86.6		▲
2	2	2	2	F-500 Companies	2	2	1	1 ▼
1	1	1	1	Nat'l Sports	1	1	1	1 ▲

Source: Moody's; BLS.gov; Fortune.com

MAJOR EMPLOYERS

The largest employers in the OKC metro are the government and military, although the area has a diverse economy and is home to the headquarters of several major companies.

HQ	Employer	Employees	Sector	Ticker	Market Cap	Years in OKC
•	Hobby Lobby Stores Inc.	6,500	Retail	Private		49
	Amazon	5,000	Retail	AMZN	\$1.5T	11
	The Boeing Co.	4,200	Aerospace	BA	\$153.4B	37
•	Paycom	3,000	Technology	PAYC	\$23B	23
•	Devon Energy	2,500	Energy	DVN	\$16.49B	50
•	MidFirst Bank	2,500	Finance	Private		66
•	Sonic	2,460	Retail	Private		68
	Dell	2,300	Business Services	DELL	\$66.3B	17
•	American Fidelity	1,995	Finance	Private		61
•	BancFirst	1,700	Finance	BANF	\$2.48B	55
•	Love's Travel Stops & Country Stores	1,500	Retail	Private		57
•	Continental Resources	1,080	Energy	CLR	\$11.14B	9**

** founded in Enid, OK in 1967

Source: Greater OKC Chamber | Excludes Government, Military, Higher Education, and Healthcare