

# TULSA MARKET REPORT



**2ND LARGEST  
CITY IN OK**



**CITY OF TULSA  
AREA SIZE**



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



**TULSA METRO  
POPULATION**



**POPULATION  
GROWTH**  
2010-2020



Gable Gotwals

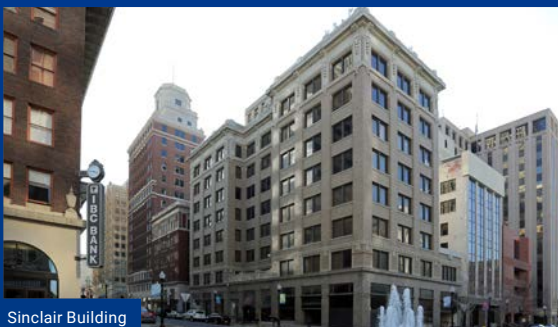
Image courtesy of CoStar

**Tulsa** is the second-largest city in the State of Oklahoma and a regional leader in energy, aerospace, transportation, telecommunications, and business services. The Tulsa metro is home to several major companies' headquarters, including Bank of Oklahoma (BOK), Williams Companies, QuikTrip, ONEOK, and Helmerich & Payne, Inc.

Although the former "Oil Capital of the World" has moved away from an economy built wholly around oil and gas, the energy industry remains an important piece of Tulsa's economy. In Tulsa, the industry's share of total employment is nearly three times the national average.

Results from the 2020 Census indicate that the population of the Tulsa metro surpassed one million for the first time in history. This is an important consideration for expanding companies and site selection groups when evaluating new markets to expand or relocate their business operations. In 2021, electric vehicle manufacturer Canoo Technologies announced a \$400 million investment at Mid America Industrial Park. The California-based company plans to build several industrial facilities and as well as a vocational training center, bringing up to 2,000 jobs to northeastern Oklahoma when construction is completed in 2024.

Despite the effects of the COVID-19 pandemic, job losses within the Tulsa metro were well below the national average for similarly-sized cities. Tulsa had an unemployment rate of 3.2% at the beginning of 2020, which spiked to 13.5% in April. That number has declined each month, ending March 2021 at 4.2%.



Sinclair Building

Image courtesy of CoStar

## NOTABLE 2021 NEWMARK TRANSACTIONS

- **GableGotwals** | Office | 110 N. Elgin Ave.  
New Lease | 42,511 SF
- **Unit Corporation HQ** | Office | 8200 S Unit Dr.  
Sale | \$35,000,000 | 196,350 SF
- **Wellsford Oaks** | Multi-Family  
Sale | \$19,100,000 | 300 Units
- **Sinclair Building** | Office | 6 E. 5th St.  
Sale | \$4.7 Million | 58,496 SF



Unit Corp

Image courtesy of CoStar

## WHAT WE'RE WATCHING **222 N. Detroit Ave.**

Construction continues on the new 11-story building that was to be the headquarters for WPX Energy, prior to their buyout and merger with Oklahoma City-based Devon Energy in 2020. The building features 260,000 square feet of Class A office and ground floor retail space currently available for pre-lease.

## WHAT WE'RE EXCITED ABOUT **Santa Fe Square**

In mid-2021, construction began on the much-awaited Santa Fe Square project, a mixed-use development located in the Blue Dome District on the east side of downtown. Plans call for a 12-story office tower with ground floor retail and apartment space. Local law firm Hall Estill is set to occupy 50,000 square feet of the 150,000 square foot office building when it is completed in 2023.



Santa Fe Square

Rendering from Tulsa Public Radio



# ECONOMIC DRIVERS

## ✚ AVIATION AND AEROSPACE

### American Airlines Maintenance Base

- 22 buildings | 3.3 million SF | 33 acres
- World's largest commercial airplane maintenance facility
- Employees: 5,550

### Private Sector Aviation

The aviation industry is one of the largest private sector employers in Oklahoma, with a state-wide economic impact of \$43.7 billion. There are nearly 300 companies in the Tulsa aviation industry, which generates a total economic impact of \$11.7 billion for the Tulsa Metropolitan Area. American Airlines is among the largest private sector aerospace sector employers in the state with 5,500 employees. While the company was forced to furlough workers in 2020 due to the decline in airline travel caused by the COVID-19 pandemic, all of the 169 employees have since returned to work. American is set to continue its half-billion dollar revitalization plan with the addition of a 193,000 square foot hangar and nearby support building. The facilities will replace two existing hangars that are no longer equipped to house the airline's wide-body aircraft.

## ✚ HEALTHCARE

Saint Francis, Ascension St. John, Hillcrest Healthcare, and other healthcare providers employ 65,900 workers in the region. The OSU Medical Center is the largest osteopathic teaching hospital in the nation.

## ✚ MANUFACTURING

Tulsa is the manufacturing hub of Oklahoma, with more than 46,800 employees throughout the metro area. This accounts for 11% of the metro's nonagricultural workforce.

## ✚ TECHNOLOGY

Tulsa is an emerging tech hub. There are a wide variety of tech startups located in Tulsa making advances in app development, energy tech, cyber security, and drone technology.

## ATHLETICS



### ONEOK Field

- Located in the Greenwood District
- Home to the Tulsa Drillers, the AA franchise for the Los Angeles Dodgers
- Home of FC Tulsa, a professional soccer team competing in the USL Championship League



### BOK Center

- Venue in Downtown Tulsa with 19,200 seats
- Central component of Tulsa County's Vision 2025 economic development initiative
- Home to the Tulsa Oilers hockey team (East Coast Hockey League)



### Tulsa IRONMAN

- One of 40 ironman host cities worldwide
- Three-year deal scheduled through 2022
- Tulsa secured host position over Des Moines IA, Memphis, TN, and Fayetteville, AR



### Tulsa Tough

- Three-day cycling festival for cyclists and spectators
- Competitive course that runs through Downtown and along the Arkansas River
- High octane action on Cry Baby Hill



### Southern Hills Country Club

- Golf Digest - America's 100 Greatest Golf Courses (#30)
- Hosted 7 major championships
- 2022 PGA Championship host

Sources: Tulsa Regional Chamber of Commerce; Tulsa World; MILB.COM; Downtowntulsaok.com

### Tulsa International Airport

- Non-Stop Destinations: 23 (Post-COVID-19)
- Daily Departures: 48 (Post-COVID-19)
- Passengers enplaned and deplaned in 2020: 1,332,443

TIA officials reported a 239% increase in passenger count in July 2021 compared to the same time in 2020

## ⚡ ENERGY

Although Tulsa's economy has diversified in the last 50 years, the energy industry remains a central component of the Tulsa economy. All three of Tulsa's Fortune 500 companies are in the oil and gas industry.

## 🚚 TRANSPORTATION & LOGISTICS

Tulsa has become a transportation and logistics hub due to its many transportation options and central location. The 2,000-acre Port of Catoosa is home to more than 70 companies and 3,100 workers.

## 🏠 PROF., BUSINESS, AND FINANCIAL SVCS

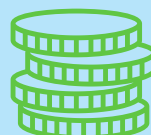
Nearly 60,000 employees, or 14% of the local workforce, provide business and financial services that reach nation-wide.

## CITY FINANCES

The City of Tulsa pays for day-to-day operations from the General Fund. The largest contributor to that fund is sales tax (3.65%), followed by use tax. Sales tax is derived from retail sales, and use tax comes from goods purchased elsewhere and shipped or brought to Tulsa, including purchases from online retailers.

General Fund collections for FY 2021 are projected to decline by 5% from FY 2020 collections, largely due to the economic effects of the COVID-19 pandemic. On the other hand, use tax estimates have registered positive growth of \$2.9 million, an increase of 6.7% from FY 2020 levels. This trend is likely to continue as online retailers such as Amazon continue to expand their footprint in Tulsa.

**3.65%**  
OF CITY SALES  
TAX RATE



2% GENERAL FUND

1.1% CAPITAL FUND

0.305% ECONOMIC DEV.

0.16% PUBLIC SAFETY

0.085% TRANSIT

# CITY DEVELOPMENTS

In September 2020, the Tulsa Regional Chamber of Commerce released a Dislocated Workforce Analysis, offering a comprehensive evaluation of which industries experienced the greatest disruption as a result of the COVID-19 pandemic. By reviewing unemployment data and similar metrics, the study examines the different barriers created by the pandemic and how those barriers impact the health of the overall labor market.

Tulsa's manufacturing industry produced the greatest number of unemployed workers, followed by the Accommodation and Food Services (Hospitality), and Retail industries. At the height of the pandemic, nearly 25,000 workers from those three employment sectors were out of work.

Unlike industries such as Professional and Business Services and Financial Activities, each of these sectors were uniquely exposed to lockdowns and in-person workplace restrictions.

While supply chains remain strained across the country, the manufacturing sector continues to show signs of improvement as job postings increase and furloughed workers are called back to their positions. Despite difficulties attracting and retaining necessary workers, hiring activity in the retail sector returned to pre-pandemic levels in August 2020.

**To address remaining employment gaps throughout the Tulsa metro, the study makes several recommendations:**

- Refresh efforts to retain local talent and upskill the regional workforce.
- Capitalize on education and training programs in emerging industries that are "downturn-proof".
- Greater alignment between the needs of local employers and workforce training programs.

## IMPROVE OUR TULSA

In November 2019, Tulsa citizens voted to renew the \$639 million Improve Our Tulsa capital improvements package. The package is largely directed towards infrastructure improvements, in addition to the rehabilitation of public facilities, beautification projects, and more.

### Streets and Transportation Systems

**\$427 million** will fund infrastructure improvements, including street and sidewalk maintenance, bridge replacement and rehabilitation, and the creation of more bicycle-friendly thoroughfares.

### Capital Equipment

**\$50.75 million** will fund capital equipment upgrades, such as new vehicles for law enforcement, updated laboratory equipment, and more.

*Funded by temporary sales tax*

### City Facilities

**\$47.08 million** for capital improvements to city-owned buildings and facilities. This includes the Gilcrease Museum, Greenwood Cultural Center, and other buildings used by city employees. Approximately \$6 million will fund improvements to the Tulsa Zoo, which will nearly double the number of available parking spaces.

*Funded by temporary sales tax*

### Parks and Recreation

**\$30 million** will fund upgrades to parks and recreation areas. Notable projects include the replacement of dilapidated play amenities, tennis courts, and parking areas.

### Fire Department

**\$26 million** will be directed to the fire department. \$23 million will fund new fire apparatus and equipment, while an additional \$3 million will go towards the 911 station alert system.

### Permanent Rainy-Day Fund

**\$19 million** will be sent to a permanent Rainy Day Fund by transferring 0.05% of city sales tax revenue to the Rainy Day Fund.

### Transit-MTTA

**\$18 million** will fund improvements to the Tulsa Transit bus system. This includes critical deferred maintenance, the replacement of aging vehicles, and improvements to transit infrastructure aimed at reducing wait and drive times.

### Community Development Priority Projects

**\$9 million** will be directed towards a variety of community development projects aimed at enhancing the quality of life throughout the metro.

### Economic Development Infrastructure

**\$6.5 million** will be used for economic development. This will assist large companies and small businesses as they continue to operate amidst the uncertainty brought on by the COVID-19 pandemic.

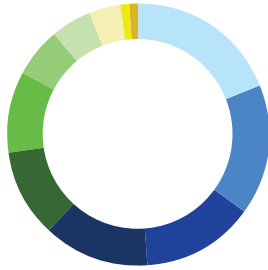
### Police Department

**\$5.67 million** will fund upgrades for the Tulsa police department, including the replacement of police helicopters and technological equipment such as computer aided dispatch and data storage.



# MARKET SUMMARY | 2021

## INDUSTRY DIVERSITY

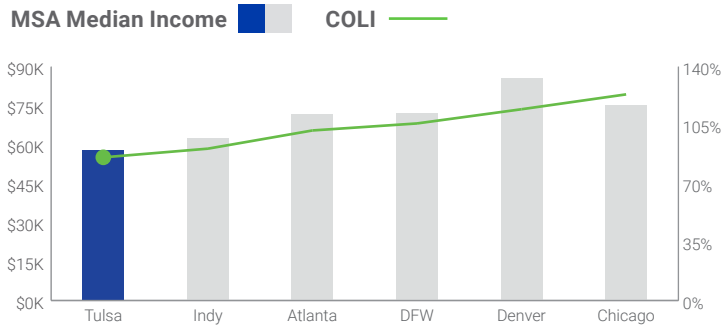


## ENROLLMENT '20/'21

School	'20/'21	Type
University of Tulsa	4,761	Private Four-Year
Oral Roberts University	4,303	Private Four-Year
OSU Center for Health Sciences	1,265	State Four-Year
OSU-Tulsa	2,475	State Four-Year
Tulsa Community College	22,745	State Two-Year
University of Oklahoma - Tulsa Shusterman Center	1,116	State Four-Year

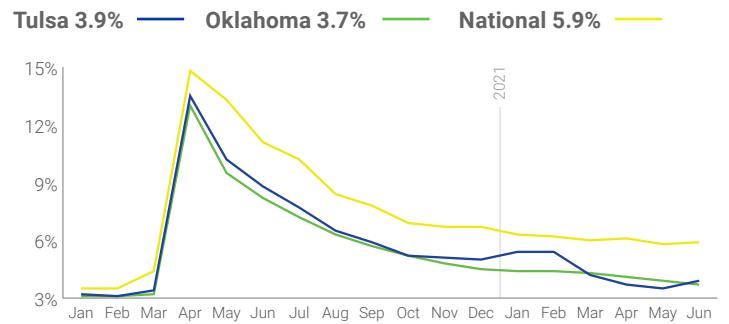
Sources: Oklahoma State Regents for Higher Education; Individual Colleges and Universities

## COST OF LIVING INDEX COMPARABLES

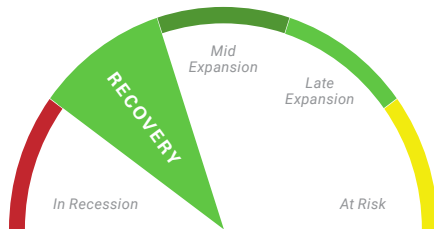


## UNEMPLOYMENT RATE 2020

Averages as of JUN 2021

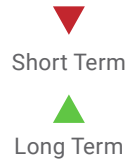


## ECONOMIC CYCLE



Source: Moody's

### Forecast Risks



## KEY INDICATORS

2015	2016	2017	2018	Metric	2019	2020	2021	2022
981K	989K	991K	993K	Population	999K	1M	1M	1M
4.3	4.8	4.2	3.3	Unemployment (%)	3.1	6.5	3.9	3.2
447	445	448	457	Employment (K)	463	437	441	456
51.2	51.7	53.2	55.3	Median HH Income (K)	57.9	62.8	65.1	63.4
			83.7	Cost of Living	84.9	85.7		
3	3	3	3	F-500 Companies	3	3	3	3
7.4	3.6	-1.1	-0.9	Net Migration	3	1.3	0.8	0.7

Source: Moody's May 2021; BLS.gov; Fortune.com

## MAJOR EMPLOYERS

HQ	Employer	Employees	Sector	Ticker	Market Cap	Years in Tulsa
	American Airlines Maintenance Base	5,400	Transportation	AAL	14.03 B	75
•	QuikTrip	3,051	Retail	Private	-	63
•	Bank of Oklahoma	2,288	Finance	BOKF	6.18 B	111
	AT&T/DirecTV	1,840	Telecommunications	T	210.46 B	-
•	Williams Companies	1,819	Energy	WMB	31.72 B	113
•	Nordam Group	1,800	Aerospace	Private	-	52
	Whirlpool Corporation	1,650	Manufacturing	WHR	14.81 B	27
•	AAON	1,600	Manufacturing	AAON	3.54 B	33
	Verizon Business	1,500	Telecommunications	VZ	234.04 B	13
	AEP/Public Service Company of Oklahoma	1,401	Utilities	AEP	-	108
	Blue Cross Blue Shield of Oklahoma	1,300	Insurance	Private	-	81
	Alorica, Inc.	1,200	Professional Services	Private	-	20
•	IC of Oklahoma LLC	1,200	Manufacturing	Private	-	22
	Spirit AeroSystems	1,200	Aerospace	SPR	4.93 B	16
•	ONEOK	1,000	Energy	OKE	23.37 B	115

Source: Tulsa Regional Chamber of Commerce