

2022 SUPPLEMENT TO THE ECONOMIC IMPACT OF OKLAHOMA'S BROWNFIELDS PROGRAM

BY

OKLAHOMA DEPARTMENT OF COMMERCE

RESEARCH & ECONOMIC ANALYSIS

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Executive Summary

This report supplements our 2016 economic impact report entitled “The Economic Impact of Oklahoma’s Brownfields Program.” The Oklahoma Department of Environmental Quality (DEQ) requested an update to the 2016 report, and over the upcoming year, the Oklahoma Department of Commerce will provide a complete update to it. However, to provide economic impact information to DEQ ahead of the National Brownfields Conference in August, 2022, we are limiting the scope and focusing on five properties identified by DEQ as a supplement to the original report.

Similar to the 2016 report, DEQ Brownfields Program produces a substantial return on investment. Focusing only on the five properties, the ROI is at least 565% and is likely higher when accounting for multiple years of tax generation and if all of the sites were addressed. Further, two of the sites, the OKANA and Evans-Fintube site, will have substantial economic impacts as construction begins and when those properties become operational.

Benefits of brownfield redevelopment

For a more in-depth discussion addressing the historical context of brownfields, an overview of Oklahoma's brownfields programs, and the benefits of remediation, please see our 2016 report. As a brief reminder, a brownfield is:

"an abandoned, idled or underused industrial or commercial facility or other real property at which expansion or redevelopment of the real property is complicated by pollution."

And the EPA's definition is similar indicating that there does not need to be actual contamination for a site to be a brownfield. It is possible for a property to be blighted and suffer the consequences of blight from the simple perception that the property is contaminated. Therefore, remediation and site assessments indicating that remediation is not necessary are both important aspects of the brownfields program and they reduce the uncertainty and legal liability of contamination. This allows sites to be redeveloped, which reduces blight.

As we discuss in our 2016 report, there are many benefits from participating in the Brownfields Program. These include:

- **Improving Health and the Environment:** Remediation improves a community's environment and benefits the safety and health of residents by ensuring they have safe places to live and work
- **Improving Quality of Life:** Remediation and assessment raises quality of life by removing blight associated with abandoned buildings and properties from surrounding communities (which is because of the nature of many brownfield sites are often low-income/minority communities)
- **Limiting Urban Sprawl:** Remediation and assessment limits urban sprawl by returning land closer to city centers to beneficial reuse rather than turning to new development of distant parcels.¹
- **Improving Property Values:** Brownfield remediation and assessment raises land values and property attractiveness to investors, allowing it to be more readily repurposed to reach its maximum economic potential.
- **Improving Government Finances:** Remediation and assessment improves the financial capacity of communities as higher tax revenues are generated from sites that are being productively used and expenses associated with city services (such as police, fire and utility maintenance) become more efficiently utilized.
- **Improving Infrastructure Utilization:** Remediation and assessment improves efficiency associated with infrastructure utilization since an undeveloped site typically requires more infrastructure to be built than an existing brownfield.
- **Improving Economic Outcomes:** Remediation and assessment can revitalize historic districts, improve tourism and generate employment when businesses locate on a brownfield.

In the 2016 report, DEQ reported engaging 44 Brownfields Program participants since 1998. Those remediated sites generated \$10 million in state sales and income taxes. There was a 147% increase in jobs in the brownfields and their bordering sites from 1998 to 2015. Furthermore, brownfield properties recorded \$88 million in retail sales in 2015, a 4,300% growth from \$2 million in 1998.

¹ According to the EPA, 4.5 acres of unused green space is preserved for every acre of reused brownfields. <https://nepis.epa.gov/Exe/ZyPDF.cgi/P100AIQY.PDF?Dockey=P100AIQY.PDF>

Since 2016, DEQ has continued to assist in the remediation of brownfields through assessments and funding agreements. DEQ has funded \$1,017,235 in five subgrants through the Brownfields Revolving Loan fund and loaned \$1,913,820 to four sites through the Brownfields Revolving Loan fund. In addition to these funds, DEQ's Brownfields Program has filed thirty-five certificates certifying the remediation is complete or that no further action is necessary and completed fifteen assessments. Total funding for the program not counting labor and overhead associated with the program totaled \$2,931,055 since 2016.

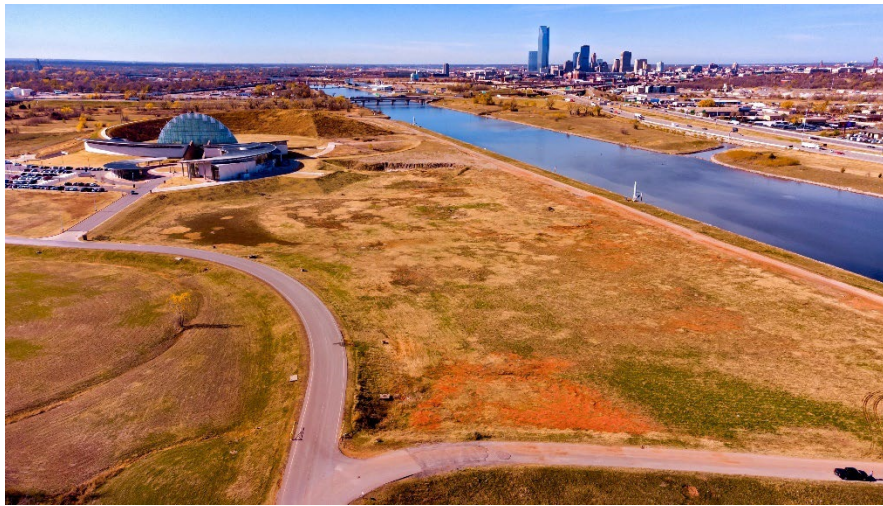
DEQ identified five case studies that demonstrate the various types of impacts the Brownfields Program can have on a community. The OKANA Resort & Waterpark adds another tourism magnet along the Oklahoma River for Oklahoma City. The BMX/Evans-Fintube site represents neighborhood healing and revitalization in Tulsa. The Diamond Building could remain an architectural landmark for Tulsa. The Keystone Corridor project contributes significant new sales tax revenue for the City of Sand Springs. The former Morton Medical Center will encourage local entrepreneurial development in Tulsa. The DEQ Brownfields Program is bringing new life to these former industrial properties by introducing either much needed or catalytic uses to their communities.

OKANA Resort & Waterpark

Oklahoma City, OK

Prior Use

The subject area is a natural candidate for distribution use, located between a waterway – the Oklahoma River – and a railroad. North of the river is a major east-west highway, I-40. While trucking companies are situated south of the railroad, the OKANA property has historically been an oilfield since the 1930s and more recently an informal motocross racing site. An eyesore, the site's earth had sunk and was declared a 100-year floodplain.



*OKANA Resort & Waterpark site, with the First Americans Museum in background.
(Credit: Oklahoman)*

In 1994, the state legislature and Governor Frank Keating established the Native American Cultural and Educational Authority (NACEA), a state agency authorized to develop a proposed American Indian Cultural Center and Museum. Private fundraising and a state bond issue helped finance the project. The museum broke ground in 2006. Construction stalled in 2012 as funding deals for its

further construction and operation could not be reached. But in 2019, the Chickasaw Nation stepped in and partnered with the City of Oklahoma City to provide \$65 million to complete the project.

Construction on the \$175 million First Americans Museum began in 2019. It opened in September 2021. An official Smithsonian affiliate institution, the museum tells the story of the 39 tribes located in Oklahoma today. The now-elevated site includes the 175,000-square-foot museum, a 5,000-square-foot FAMily Discovery Center (to be completed), ceremonial grounds and iconic circular mound. The museum includes a theater for educational programming, museum shop, and the full-service Thirty Nine restaurant.

As part of the agreement with the City of Oklahoma City, the Chickasaw Nation secured development rights for 140 acres surrounding the museum grounds. Weeks after FAM opened, the Chickasaws announced construction of the OKANA Resort.

Assessment and Remediation

With funding from the EPA Targeted Brownfields Assessment (TBA) program, environmental contractor Terracon assessed the OKANA site to have a Controlled Recognized Environmental Condition (CREC) in 2019, owing to the site's prior use for oil and gas exploration. The firm found polycyclic aromatic

hydrocarbons (PAHs) and semivolatile organic compounds (SVOCS), although this was later surmised to come from other sources besides petroleum spillage.

In 2020, AICCM Land Development, LLC, FAM's developing entity, began participation in the Brownfields Program. It entered into a consent order with DEQ for site characterization and risk-based remediation. One year later, DEQ would ultimately issue a Certificate of No Action Necessary, judging the land to be suitable for its proposed commercial use.

Current Status & Future Development

The \$300 million OKANA Resort & Waterpark being built by the Chickasaw Nation will complement the neighboring First Americans Museum with accommodations and leisure activities. It will feature an 11-story, 404-room hotel; five-acre adventure lagoon; 33,000-square-foot family entertainment center; 100,000-square-foot indoor waterpark; 39,000 square feet of conference space; retail and restaurants; and a 1,500-seat amphitheater.



Rendering of OKANA Resort & Waterpark (Credit: Chickasaw Nation)

The Chickasaw Nation expects to open the OKANA Resort & Waterpark by 2024.

Impact of Remediation

When the Oklahoma River was filled with the assistance of three MAPS-funded dams in 2004, the channel offered navigable waterfront opportunities that Oklahoma City had not seen in decades. City and state leaders and the private sector began to eye opportunities for development that would harness its navigability and high-profile setting. These include the Dell Technologies center, Boathouse District, Wheeler District, Scissortail Park and riverfront Meridian Avenue hotels.

The DEQ-reviewed OKANA Resort site is the latest civic asset for the Oklahoma River. Oklahoma City leaders expect the world-class resort and museum site to bring national and international visitors. As a combined destination, they will broaden the Oklahoma River experience along with Stockyards City and the new developments mentioned above. Some of these destinations will be connected by the Oklahoma River Cruises.

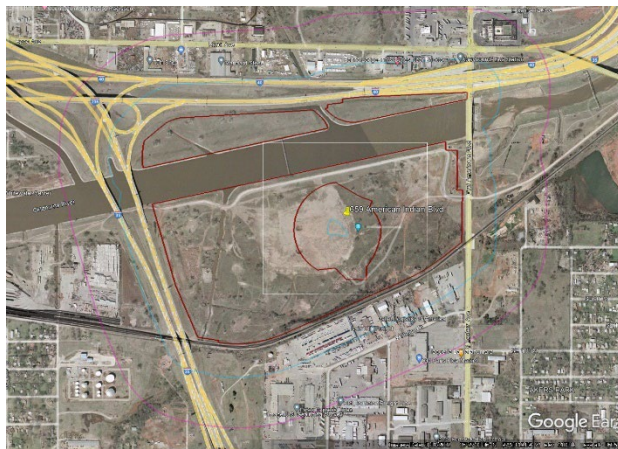
OKANA and First Americans restores to public use an advantageous location for tourism: it extends viewing of Boathouse District rowing competitions, adds another landing for the Oklahoma River Cruises, is highly visible on two major interstates, and provides an eastern anchor for any further hospitality businesses between Bricktown and Martin Luther King Avenue. The two assets will burnish a Native

American visitor scene that also attracts worldwide visitors. Oklahoma City Mayor David Holt surmises Native American conferences could also take place there.

The resort will generate 1,400 jobs annually with a payroll of \$80.7 million. The Chickasaw Nation expects the resort's spending and visitation to generate a \$1.3 billion impact over ten years.

Oklahoma County Tract 1053 (FIPS: 40109105300)		
	2000 census	2020 census
Population	2,943	3,223
Med. Household Income	\$26,422	\$45,156
Poverty	25.3%	24.3%
HS Attainment	61.5%	56.3%
Bachelor's Attainment	4.5%	4.7%

The population of the census tract 1053 associated with the OKANA project has seen an increment of roughly 10% in the past two decades. During these 20 years, the median household income has grown by over 70% which is a significant development. The general poverty rate has also marginally improved during this period, however there is still scope for improvement since it is still higher than the county poverty level. This could be attributed to less than desired level of improvement in education attainment as seen in the table above. Many brownfield improvement projects such as OKANA and other main street opportunities are likely to present avenues for gainful employment to the local population in the area.



OKANA Resort Site in 2002



OKANA Resort Site in 2021

Evans-Fintube Site/BMX

Tulsa, OK

Prior Use



Evans/Oklahoma Ironworks Building (Credit: Tulsa World)

The subject area is a manufacturing site originally built in 1911. The Evans building, on the southern side of the site, is also known as the Oklahoma Ironworks/Bethlehem Supply Company building. According to the *Tulsa World*, it was once the largest manufacturing plant in Tulsa. The Fintube building on the northern half manufactured metal products. Heat exchangers, electrical parts and transformers were produced or stored onsite at one point as well. At its most active, the site had more than a dozen buildings; most have since been removed. The combined facilities ultimately closed in 1961 as the Bethlehem Steel Company. The site was later utilized as a scrap metal recycling facility. By 2015, the City of Tulsa owned the property and was leasing it to a construction company for materials and equipment storage.

The site spans 22.3 acres. It occupies the northeast corner of the interchange between I-244 and U.S. Highway 75, known locally as the Cherokee Expressway.

The site is closely tied to the Greenwood Cultural District, a historical neighborhood known in its affluent heyday as the Black Wall Street. In 1921, a white mob attacked its African-American residents and destroyed 35 blocks of the neighborhood in what would later be called the Tulsa Race Massacre. The violence stemmed from an allegation one of them assaulted a 17-year-old white woman. 36 residents were officially pronounced dead, although a 2001 state commission deemed the actual count could range from 75 to 300.

The National Register of Historic Places added the 120,000-square-foot Oklahoma Ironworks Building to its list in 2014. Its application cited the complex's example of early large-scale industry and its proximity to the Greenwood district.

Assessment and Remediation

Surface soils of the site were contaminated with petroleum hydrocarbons and metals. By 2017, the City of Tulsa had reserved \$1.3 million for pollutant removal, including \$900,000 from two EPA Brownfields Cleanup grants. DEQ contributed \$65,000. The city, in accordance with the Oklahoma Brownfields

Voluntary Redevelopment Act, performed risk-based remediation from October 2017 to April 2020. For the effort, the city received a Certificate of Completion from DEQ.

Current Status & Future Development

When the American Bicycle Association (ABA), the governing body of USA BMX, sent out an RFP for a national headquarters in 2012, Tulsa had hosted its largest event, the USA BMX Grand Nationals, for 14 years. The ABA simultaneously sought an agreement with its current home, Gilbert, Arizona. Tulsa officials kept selling the city to the ABA as talks with Gilbert failed. The ABA eventually agreed in 2017 to relocate its headquarters to northeastern Oklahoma.



BMX Headquarters Grand Opening (Credit: Tulsa World)

The City of Tulsa offered the Fintube building for the new BMX complex. It would include headquarters for USA BMX and the USA BMX Foundation, National BMX Hall of Fame and Museum, and the 2,000-seat Hardesty National BMX Stadium. The complex held its grand opening in February 2022. Tulsa invested \$23 million in the project.

For the Evans building, the City of Tulsa in May 2022 selected Team Alchemy as developer. The group's ambitious plans include renovation of the building, 42-story mixed-use tower with lower-level retail plaza, live-work units, landscaped amenities, and pedestrian-friendly street connection to Greenwood underneath I-244.



Rendering of Evans-Fintube development. The BMX complex is to the left. The tower and Evans/Oklahoma Ironworks building to the right will be undertaken by Team Alchemy. (Credit: Team Alchemy)

For Evans, Team Alchemy plans economic development uses – a business incubator and offices for the portion running east-west, and a maker space, gallery, food hall and brewery for the portion running north-south. The tower will include rooftop dining, hotel, multifamily residential, gym, offices, and

performing arts hall. The landscaped amenities will include an art park with stage, dog park, and patio dining.

The project will be built in three phases concluding in 2029 with an investment of \$224 million. Tax increment financing (TIF), historic and new market tax credits, Commercial Property Assessed Clean Energy (C-PACE) loan, and below-market property sales from City of Tulsa will help finance the development.

Impact of Remediation

The BMX complex promises to be a consistent magnet for sports tourism in Tulsa. Officials estimate 100,000 visitors will attend more than 100 local, state, and national events in the first five years. They expect the events to generate \$11 million in economic impact for the City of Tulsa. Furthermore, the headquarters move would result in 25 new jobs in the city.

The ABA plans to be involved in the local community. In other places, the body has offered STEM programs focused on bike-building and the science behind BMX racing. Aptly, the ABA wants to encourage local youth to start riding bicycles.

The Evans-Fintube redevelopment re-activates a highly visible plot close to the Greenwood district. City leaders see the BMX project as part of the healing process for the African-American neighborhood by bringing to it public amenities. It joins other community assets and businesses to commemorate and move forward from the Tulsa Race Massacre. These assets include the Greenwood Cultural Center, the Greenwood Rising Black Wall St. History Center, Greenwood Gallery, John Hope Franklin Reconciliation Park, and the Tulsa Drillers' ballpark ONEOK Field.

The City of Tulsa furthered that goal by choosing Team Alchemy to develop the Evans building site. The team's emphasis on creating wealth among Black Tulsans, as well as public feedback from residents, facilitated their selection. Leading Team Alchemy is Be Good Development Partners, whose founder is a local African-American woman.

Tulsa County Tract 0012 (FIPS: 401430001200)		
	2000 census	2020 census
Population	2,024	1,730
Med. Household Income	\$20,000	\$48,215
Poverty	20.1%	22.7%
HS Attainment	44%	71.5%
Bachelor's Attainment	1.7%	2.9%

The population of the census tract 0012 associated with the Evans-Fintube Site/BMX project has seen a decline of over 14% in the past two decades. During these 20 years, the median household income has more than doubled which is a significant development. However, the general poverty rate has not improved during period, which is still higher than the county level benchmark. The suppressed education

attainment levels and lack of employment opportunities in the local economy could be attributed to this situation. This presents a strong case for investment in the local economy and local capacity building. Brownfield projects such as the Evans-Fintube Site/BMX project present an opportunity for business entities to purchase or lease the existing production facilities to launch their new production activity.



BMX/Evans-Fintube Site in 1995



BMX/Evans-Fintube Site in 2021

Diamond Building

Tulsa, OK

Prior Use

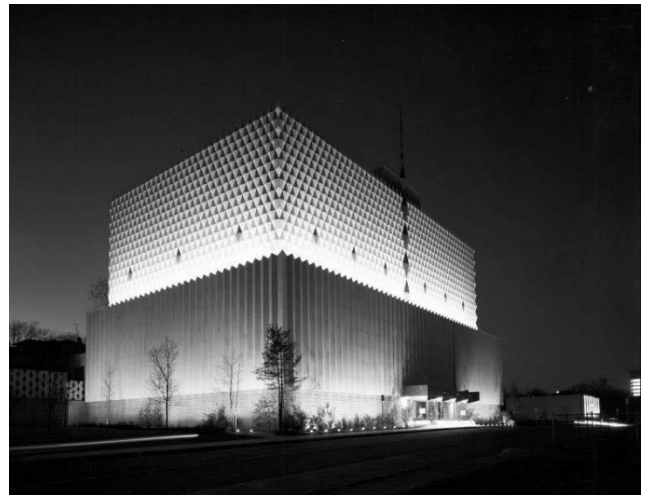
The Oral Roberts Evangelistic Association erected the Abundant Life Building, located at 1720 S. Boulder Avenue in Tulsa, as its headquarters in 1959. The building exhibits a futuristic take on Mid-Century Modern architecture, according to the vision of founder Oral Roberts. The building was named Abundant Life in keeping with his ministry that God wants to people to live prosperous lives. The imposing edifice, designed by Cecil Stanfield, spans 92,850 square feet.

The structure is also called the Diamond Building for its distinctive upper-floors diamond-pattern façade. No windows were built in an attempt to reduce energy costs; they were also considered unnecessary with its adoption of then-new technologies central air and fluorescent light bulbs. In addition to offices, the building featured a banquet hall, television studio, and an auditorium.

Oral Roberts Ministries would leave the building when its namesake university was built in the 1960s. Southwestern Bell briefly occupied the building afterward, but it was completely abandoned in the 1980s. It has been vacant ever since. In 2016, Preservation Oklahoma named it to their Most Endangered Historic Places list.

Assessment and Remediation

Construction of the building in 1959 entailed extensive use of asbestos. The naturally occurring silicate was used at the time to provide insulation as well as strengthen and fireproof concrete, bricks, and fireplace cement.



Diamond Building, known originally as the Abundant Life Building (Credit: Abandoned Oklahoma)

DEQ agreed to inspect the structure at the behest of David Horton, the building's then-owner, in 2010. At the time, he sought funding sources for the material's removal. DEQ concluded that any environmental issues were contained within the site.

The City of Tulsa and DEQ ultimately partnered to provide the project \$1 million each from their respective brownfield revolving loan programs. To date, it is the largest loan DEQ has ever made. Removal commenced in February 2020 and finished late December 2021.

Current Status & Future Development

Sharp Development bought the property in 2019. The firm plans to rehabilitate the building with the hope of converting it into a residential development. It is currently valued at \$824,000. The *Tulsa World* reported in 2019 that the diamond slabs composing the upper façade were starting to fall, prompting workers to remove them as a safety precaution. For now, Sharp Development is using the property as a framing site for a different project.



Present-day Diamond Building. (Credit: Amy Rockett-Todd)

Impact of Remediation

For a city its size, Tulsa boasts a remarkable stock of architecturally significant structures. The city is most well-known for its rich portfolio of Art Deco buildings. As of 2020, the Decopolis Tulsa Art Deco Museum recorded 63 Art Deco structures in the city, including city icons the Boston Avenue United Methodist Church, Philcade Building, and the Tulsa Union Depot.

Art Deco's place in Tulsa owes to the city's former status as "Oil Capital of the World". Fossil fuel exploration attracted Jazz Age entrepreneurs from the East Coast, who brought their taste for the new architecture to the Oklahoma frontier. The oil barons realized their wealth could make a notable impact in a city that was relatively new and open to the avant-garde. This sensitivity to design would inculcate in Tulsans an appreciation of the arts and humanities for generations afterward.

The Diamond Building represents a continuation of Tulsa's architectural legacy. Like Art Deco, Mid-



Wright's Westhope Home (Credit: Travelok.com)

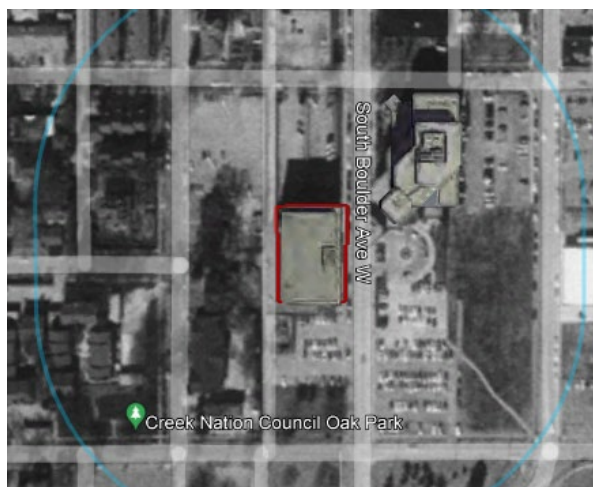
Century Modern design claims local highlights as well, including Frank Lloyd Wright's Westhope home. With origins in the International and German Bauhaus styles, Mid-Century Modern features clean lines, straightforward use of materials, dual use of man-made and organic forms, and the absence of embellishments. Other examples are Fire Station No. 15, Tulsa Little Theater, and the Tulsa Police and Municipal Court Building. Single-family residential developers would adopt Mid-Century Modern design as well.

In addition, the building is part of the legacy of local televangelist Oral Roberts, whose ministries reached millions worldwide. His physical imprint on the city continues with Oral Roberts University and the CityPlex Towers. As the first headquarters of a notable global organization, the Diamond Building is of historical significance to Tulsa.

The possible lack of the diamond pattern on the upper façade may lower the Diamond Building's value as an architectural landmark. However, even without the signature pattern, it can bring positive economic benefit with a respectful restoration that capitalizes on its history, function-specific rooms, and unique massing.

Tulsa County Tract 0031 (FIPS: 40143003100)		
	2000 census	2020 census
Population	2,749	2,468
Med. Household Income	\$29,000	\$51,332
Poverty	18%	14.4%
HS Attainment	89.3%	97.4%
Bachelor's Attainment	43.6%	54.3%

The population of the census tract 0031 associated with the Diamond Building project has seen a decline of over 10% in the past two decades. During these 20 years, the median household income has increased by 75% which is a significant increment. The general poverty level has also dropped by 25% during this period which is at the county level benchmark. The education attainment levels in this census tract are significantly higher than the local county level, which presents a case for robust supply of capable manpower for brownfield projects such as the Diamond Building.



Diamond Building in 1995



Diamond Building in 2021

Keystone Corridor Redevelopment

Sand Springs, OK

Prior Use

The Town of Sand Springs was established in 1908. Among early uses shown in 1919 and 1925 Sanborn maps were single family residences, hotels, and a school. Automobile-serving gas stations and garages were among early businesses, as well as a railroad-serving depot and warehouse.

The use associated with the brownfield was the former zinc smelter plant built by Federated Metals Corp. It opened in 1914 and operated until the late 1980s. According to Schnabel

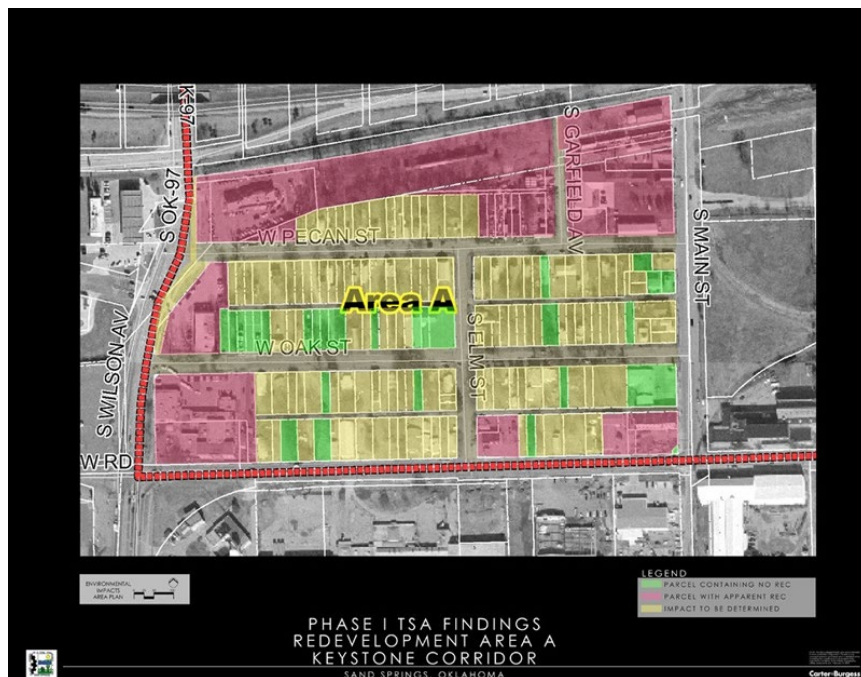
Engineering, the plant produced zinc by separating it from ore. The process generated considerable waste that had productive use as gravel product. The waste was found to be hazardous with its composition of other metals, including lead.

Assessment and Remediation

Federated and Kucharski Development Co. commenced remediation of lead from its site in 1997, with oversight from DEQ. Precipitating the effort was the aforementioned 1996 Oklahoma Brownfields Voluntary Redevelopment Act, which allowed property owners and lenders to clean their sites with limited liability. Approximately 61,300 cubic yards of contaminated soil was removed and contained onsite in a disposal cell under the new development. The project was completed in 2003, and DEQ granted the developer a Certificate for No Action Necessary. The project was awarded the Region 6 2004 Phoenix Award for brownfield redevelopment.

The City of Sand Springs continued cleanup by taking adjacent land just east of the earlier site through the DEQ Brownfields Program. That land would be part of the city's Keystone Corridor Redevelopment Plan: 2025.

In Oklahoma, four different cleanup programs have been used to oversee smelter cleanups. The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, aka Superfund), the



River West section adjacent to the Federated Metals site. The image shows blocks to be cleared for retail development. (Credit: City of Sand Springs)

Resource Conservation and Recovery Act (RCRA, aka Hazardous Waste law), and the Voluntary Redevelopment and the Brownfields programs.

Current Status & Future Development

Tulsa sales tax initiative Vision 2025 allocated \$14.5 million toward the purchase and clearance of the subject area. The City of Sand Springs then initiated the Keystone Corridor plan in the mid-2000s. In addition to Area A, which was part of the Federated Metals site between Wilson and Main Street south of the expressway to Morrow Road, the plan included Area B, the neighborhood blocks just north of the expressway to 2nd Street from Wilson east to Adams Road, as well as Area C, industrial land between Main Street and Adams.



*Schlotzsky's at River West Development in Sand Springs
(Credit: Sandite Pride News)*

The plan specified retail and commercial for the 25.7-acre Area A. The eventual project, called “River West” by Tapp Development, finally broke ground in 2016. At present day, it is an attractive retail center with restaurants Colton’s Steak House, Tropical Smoothie Cafe, IHOP, Starbucks, Schlotzsky’s, and local Mexican place El Maguey. Retailers include CVS, O’Reilly Auto Parts, and Aldi grocery store. Service tenants include a Holiday Inn Express, a branch of the Tulsa-based Warren Clinic, and TTCU Federal Credit Union.

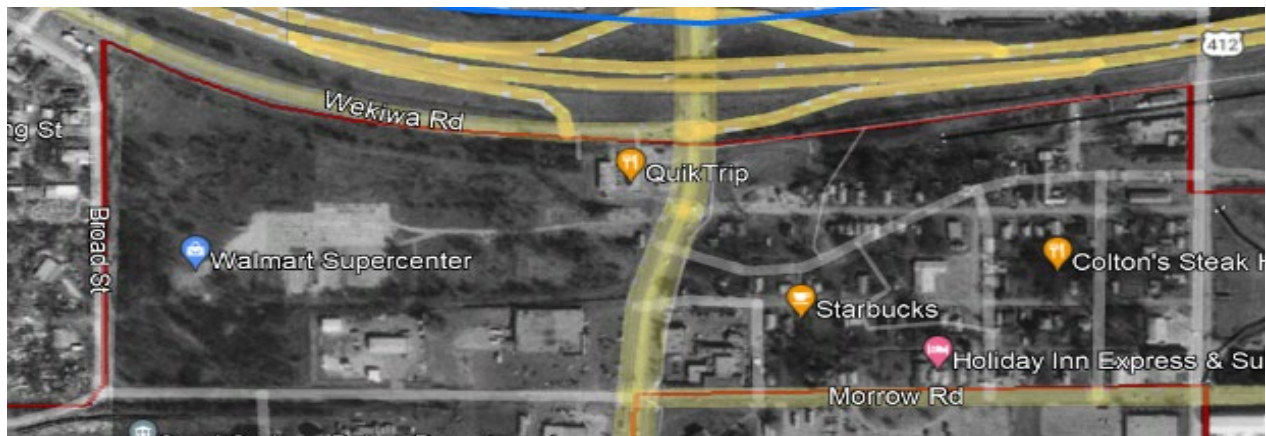
Retention ponds add a natural amenity to the development. Another asset, the Katy Trail, fronts the Sand Springs Expressway in Areas A and C and connects to downtown Tulsa. The \$20 million Cimarron Center retail development on the western side of Wilson occupies a significant portion of the Federated Metals site. With a Walmart Supercenter as anchor, Cimarron helped spur the Area A development. The same uses are planned for Area C immediately east of Main Street.

Impact of Remediation

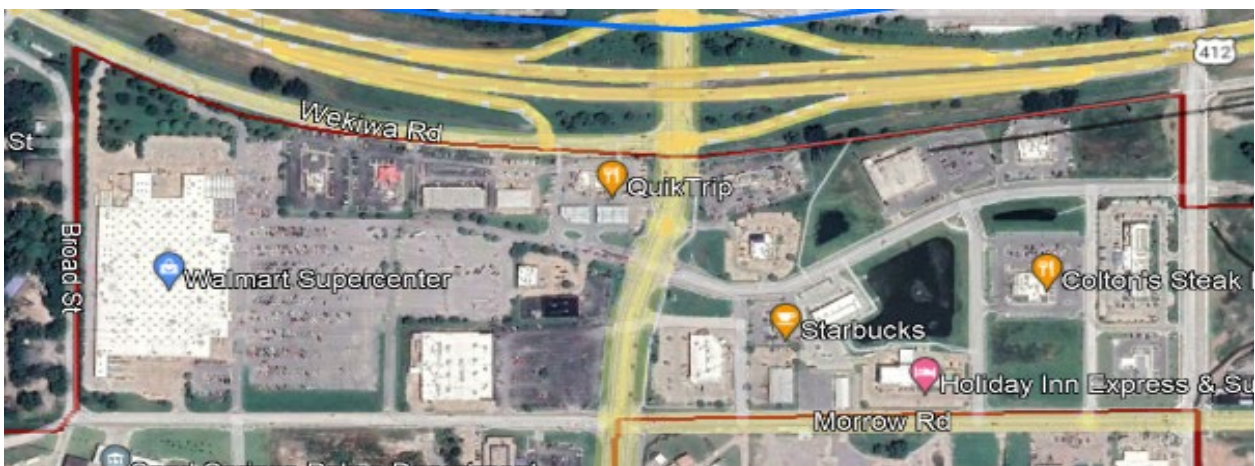
The new retail development in the subject and adjacent areas has allowed Sand Springs to capture further sales tax revenue locally and from the expressway. The highway brings in traffic from western and central Oklahoma to the Tulsa region -- 31,600 vehicles per day at its Sand Springs section. The developer in 2011 noted that the Rib Crib in Cimarron Center was its highest-grossing non-franchise restaurant. By 2016, the Cimarron Center had added almost 600 new jobs. The River West development has further added hundreds of jobs. Together, they have contributed over \$40 million in annual sales tax revenue to the City of Sand Springs.

Tulsa County Tract 0093 (FIPS: 40143009300)		
	2000 census	2020 census
Population	4,836	3,821
Med. Household Income	\$31,708	\$48,235
Poverty	13.1%	11.4%
HS Attainment	70.9%	81.3%
Bachelor's Attainment	7.6%	11.1%

The population of the census tract 0093 associated with the Keystone Corridor Redevelopment project has seen a decline of over 20% in the past two decades. During these 20 years, the median household income has increased by over 50%, which is a significant increment. The general poverty level has also dropped by almost 13% during this period which is better than the county level benchmark. The education attainment levels in this census tract also show a marked improvement thereby ensuring a healthy supply of capable manpower for brownfield projects such as the Keystone Corridor Redevelopment project. Such projects not only provide gainful employment opportunities for the local population, but also provide a potential for such projects to invest in their local community.



Keystone Corridor Site in 1995



Keystone Corridor Site in 2021

Morton Medical Center

Tulsa, OK

Prior Use

Erected in 1931, Morton Medical Center played a huge role in the lives of many north Tulsa residents as it was built after the 1921 Tulsa Race Massacre and served as a hospital for Black Tulsans providing health care to residents into the mid-2000s. The hospital building at East Pine Street and North Greenwood Avenue was left behind in 2006. The clinic was later renamed Morton Comprehensive Health Services, and the organization moved into a new building at 1334 N. Lansing Ave. (www.theoklahomaeagle.net)

The hospital building sits on a 3.83-acre tract of land. Originally called “Morton Memorial Hospital”, the Center was originally just a single 3 story brick building. A three-story addition, adding a little over 9,000 square feet, was made to the building in 1970, according to the Tulsa County Assessor.



Morton Medical Center building in 1931. (Credit: Rotary Club of Tulsa/Beryl Ford Collection, Tulsa City-County Library and Tulsa Historical Society and Museum)

Assessment and Remediation

To encourage future redevelopment, in 2017 the City of Tulsa utilized two Oklahoma Department of Environmental Quality grants to clean up the area, including removing asbestos and equipment from the main building.

Current Status & Future Development

Tulsa Development Authority (TDA) currently owns the building. The Historic Morton Health Center Building is now set to become North Tulsa Entrepreneurial hub, with the City of Tulsa's \$4 million



Morton Medical Center in present day. (Credit: Abandoned Oklahoma)

investment to help historically marginalized entrepreneurs in partnership with Tulsa Economic Development Corp Creative Capital (TEDC).

Tulsa Economic Development Corp Creative Capital (TEDC) and Pine Place Development LLC, are looking to rehab the building and surrounding property. TEDC plans to launch the Greenwood Entrepreneurship Incubator @ Moton (GEIM), which will be a new entrepreneurship hub for north Tulsa. TEDC claims that this investment is a step in the direction of reclaiming the power and prestige of Black Wall Street.

Impact of Remediation

Tulsa Economic Development Corp (TEDC) will provide north Tulsa entrepreneurs with business training and incubator space for their burgeoning businesses in the hopes that supporting them will directly and significantly impact the lives of north Tulsans. TEDC claims that the new initiative will couple a beautifully restored location with culturally competent curricula, access to capital and other knowledge resources that will nurture the entrepreneurial spirit of Black Tulsans for years to come.

The developers expect to develop the 3.83-acre tract of land outside of the hospital building. This project plans to bring another level of single-family homes into the area — 12-16 nice East Coast-style, vertical three-story townhomes — and then 64 units of multi-family, according to the developers. The whole complex, a \$20 million project, will be called Morton's Reserve.

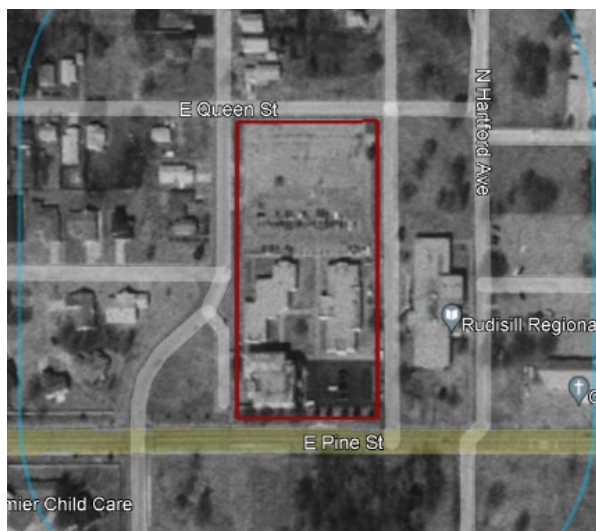
In addition to authentic, effective assistance in starting and running new businesses in north Tulsa, the former hospital and its surroundings will directly impact the area's economy. Affordable housing will be another plus according to the new investors.

Census Tracts 0006 and 0007 were merged in 2020 census to create a new Census Tract 0114. It was done apparently to consolidate the number of households in these two adjacent census tracts to account for the drop in population. The figures presented here under column 2000 census are arrived at by combining the figures from individual census tracts 0006 and 0007.

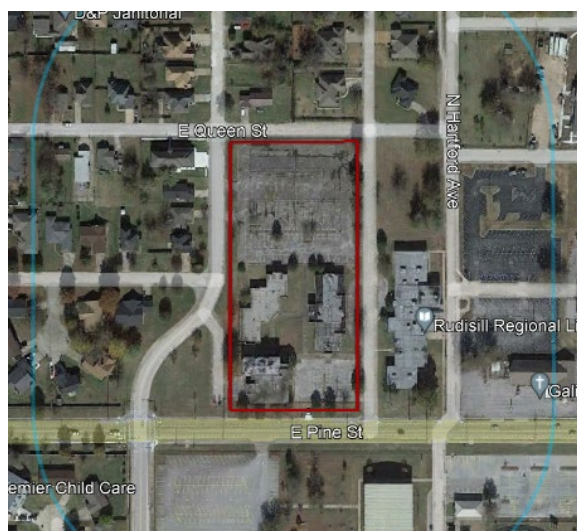
Tulsa County Tract 0114 (FIPS: 40143011400)		
	2000 census	2020 census
Population	3,049	3,115
Med. Household Income	\$19,044	\$29,211
Poverty	26.5%	31.7%
HS Attainment	68.1%	83%
Bachelor's Attainment	10.6%	13.8%

The population of the census tract 0114 associated with the Morton Medical Center project has seen a marginal decline in the past two decades. During these 20 years, the median household income has increased by over 50%, which is quite significant. The education attainment levels have also shown a gradual improvement, which is encouraging. However, during the general poverty level has crept up and

the poverty level sits above the county level benchmark of 14.3% in census 2020. One encouraging feature is that the Morton Brownfield project is still in the beginning stage, and once it takes off firmly, there would be plenty of job opportunities for the local public which will set off another cycle of self-sustaining business demand for other goods and services thereby invigorating the entire dynamics of the local economy.



Morton Medical Center Site in 1995



Morton Medical Center Site in 2020

Economic Impacts

An abandoned and underused brownfield is often an eyesore to the surrounding community. They present potential health and safety risks to community members, reduced economic opportunities in the blighted area and weak fiscal revenue generation in the local community. After redevelopment, though, the same contaminated site can enable sustainable land reuse and development, revitalize the local economy, and transform the entire community. The previous five sites are a testament to the opportunities presented when community leaders pursue brownfield site remediation by seeking the expertise of the Department of Environmental Quality's Brownfields Program.

Similar to the 2016 report, 1998 data of establishments located in proximity to the brownfield sites will be compared with the most recent information available from 2021 for the actual economic and fiscal impacts associated with remediation. One of the tools for this comparison is the Quarterly Census of Employment & Wages (QCEW). Given that this resource requires confidentiality of identifiable business information, we must present the results in aggregate. This ensures that identifiable business information, which requires confidentiality by the Bureau of Labor Statistics and the Oklahoma Employment Security Commission is maintained.

Impacts on Economic Activity for Brownfield Property Businesses

	1998	2021	Impact	% Change
# of Establishments	63	286	223	354%
Total Employment	1,820	4,525	2,705	149%
Total Payroll Annualized (inflation-adjusted 2021 \$)	\$105,430,000	\$220,380,000	\$114,950,000	109%
Estimated Net Output (inflation-adjusted 2021 \$)	\$280,940,000	\$819,950,000	\$539,010,000	192%

For the five selected locations, there were 63 establishments employing 1,820 people with wage payroll in excess of \$105 million. By 2021, 286 establishments employed 4,525 people with wage payroll in excess of \$220 million. The dollar payroll and output figures presented in the table represent 2021 dollars so that the monetary values may be more easily comparable.

Average wages between the two comparison years equaled \$57,900 (2021 dollars) in 1998 and \$48,700 in 2021 (2021 dollars). The average wage may have decreased between the two years, but the mix of employment associated with the employing businesses changed at the same time. In 1998, the businesses had a mix of more manufacturing, energy and higher wage service businesses. Some of these same industries remained in 2021, but the employment growth in the five remediated brownfields occurred with more retail and lower wage service businesses causing the average wage to decrease between the time periods.

Net output represents an estimate of the sum of the sales associated with each of the industries located in the remediated brownfields. Net output is a broad measure of economic activity occurring in the geographies, and between 1998 and 2021, net output is estimated to have increased 192%. With two of the identified brownfields yet to be fully developed into their intended purpose, these economic impacts will increase in future years. OKANA will invest \$342 million for the development and will employ more than 340 people when the site is fully operational. Similarly the Evans-Fintube site will also drastically change the area north of downtown Tulsa in the next ten years.

Fiscal Impacts

An increase in property valuation in and around a redeveloped brownfield site offers additional tax revenue for local governments. Brownfields with established infrastructure can help save costs during the redevelopment. Increased infrastructure use, along with new commercial, residential, and recreational opportunities in the area improves state income tax and sales tax revenue. The federal tax incentives for the assessment, cleanup and redevelopment further encourage municipalities to undertake such projects.

Ad valorem taxes are collected by the county assessors for the benefit of local government entities and school districts. The state does not collect ad valorem taxes. Using information from the county assessor offices, the most recent information for property valuations for the five brownfield sites indicates valuations of \$58.7 million with property tax collections of \$670,000. Unfortunately, property information is not readily available for 1998.

Additionally, many of these properties were constructed or renovated after remediation. Again while we do not have details on the actual costs, using the \$58.7 million figure as a proxy for construction activity, then IMPLAN estimates that \$550,000 of that would have been paid to the state as income taxes from construction wages, \$80,000 from corporate income taxes and \$700,000 associated with state sales taxes on materials used in construction for a total impact during construction/renovation of \$1,330,000 to the state.

Estimated Sales and Lodging Taxes Collected at the Brownfield sites

	Estimated Sales	Estimated Local Sales Tax	Estimated State Sales Tax	Estimated Total Sales Tax
Establishments Charging Sales Tax				
1998	\$6,380,000	\$263,000	\$287,000	\$550,000
2021	\$178,810,000	\$6,984,000	\$8,046,000	\$15,030,000
Sales/Sales Tax Impact	\$172,430,000	\$6,721,000	\$7,759,000	\$14,480,000
Establishments Charging Lodging Tax				
1998	\$430,000	\$8,600	\$0	\$8,600
2021	\$2,142,000	\$150,000	\$0	\$150,000
Lodging Impact	\$1,712,000	\$141,400	\$0	\$141,400
Total Sales & Lodging Tax Impacts	\$174,142,000	\$6,862,400	\$7,759,000	\$14,621,400

The properties associated with the remediated brownfields have experienced substantial growth in retail sales between 1998 and 2021. In 1998, total sales subject to sales tax equaled \$6.38 million. After remediation of the properties and development especially associated with the Keystone area, total retail sales is estimated to be \$178.81 million, which represents a 2700% increase in retail sales. This substantial growth has resulted in increased sales tax collections for local and state governments.

For the state, the economic impact of increased retail sales totals \$7.76 million per year, which is anticipated to increase after OKANA and the Evans-Fintube sites become fully operational. Including fiscal impacts associated with the 4,500 employees would add an additional \$8.8 million for a total impact on state income and consumption taxes of \$16.56 million.

Lodging tax is an additional tax collected by local governments. Before March 2020, Sand Springs did not have a lodging tax. In 2021, the city began collecting lodging tax which totaled \$294,300, and of that amount, approximately half is estimated to be associated with hotel development in the Keystone Brownfield.

Conclusion

DEQ's Brownfields Program has deployed \$2,931,055 of taxpayer dollars since 2016 when the Oklahoma Department of Commerce completed the economic impact of the Brownfields Program. The return on investment only considering the five properties highlighted in this supplement is substantial. In one year alone, the state collected \$7,759,000 in retail sales in 2021 associated with these developments.

Individual years are not accessible from 2016 to 2020 to aggregate the total state tax collections for these remediated brownfield sites, and this was not in the scope of the work that the Department of Commerce was requested to perform. However, combining the multi-year costs of the DEQ Program of \$2.931 million and comparing it to a single year state revenue produces an ROI of 565%.

Although communities can discover significant economic and environmental advantages from brownfield redevelopment, investments in redevelopment projects can be slow due to financial costs, time constraints and the legalities that accompany a site's preparation for redevelopment. To successfully complete redevelopment projects and to realize brownfield reuse merits, municipalities should seek guidance from industry professionals.

2022 SUPPLEMENT TO THE ECONOMIC IMPACT OF OKLAHOMA'S BROWNFIELDS PROGRAM

BY

OKLAHOMA DEPARTMENT OF COMMERCE

RESEARCH & ECONOMIC ANALYSIS



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