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STATE OF ENTREPRENEURSHIP

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PARTNER

TULSA

Growing and economy with opportunity for all.

A proud partner of the City of Tulsa

**The City of Tulsa
and PartnerTulsa are
working to ensure that
no matter what ZIP code
or country you're from,
there is opportunity
for economic mobility
in a new generation
of innovation and
entrepreneurship.**



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A Note from Our Executive Director



PartnerTulsa is pleased to present the 2022 State of Entrepreneurship Report, a summary of the progress being made in making Tulsa a better city for its entrepreneurs and small business owners. In 2021-2022, one of PartnerTulsa's key goals was to understand the current business resource landscape and our place in it. To this end, over the past year, our team worked with the National League of Cities and the Kauffman Foundation, and received technical assistance from SourceLink, a Kansas City-based ecosystem development non-profit. Locally, PartnerTulsa engaged with Black Tech Street, the Coretz Family Foundation, the Global District, and Tulsa Development Authority to conduct outreach to business owners, residents, resource organizations, and other partners through interviews, surveys, focus groups, and public meetings. The objective of this effort was to better understand the current entrepreneurial landscape, including both strengths and opportunities for improvement, culminating in this State of Entrepreneurship Report.

From 2014 to 2017, the Lobeck Taylor Family Foundation published a series of State of Entrepreneurship reports that formed the basis for improvements to the entrepreneurial ecosystem since that time. Over the last five years there has been substantial development in local resources for business founders and owners. Legacy entrepreneurial support organizations have experienced explosive growth and paved the way for new incubators, accelerators, coworking spaces, and mentorships. Services are now offered in Spanish as well as English and outreach includes residents from north, south, west, and east Tulsa. There is momentum from public and private partners to remove barriers to local entrepreneurial activity in 2023 and beyond.

For me, there have been two key takeaways in development of this report.

- ▶ **There has been a rapid increase in resources available for entrepreneurs.** Tulsa now boasts a dozen co-working locations, business incubators encompassing a range of market sectors and languages, and a community focused on equitable opportunity. Nevertheless, many, if not most, entrepreneurs remain unaware of the supports available to them. Even knowing provider organizations, it may still be difficult to navigate to the right resource for an individual business need. Promotion of existing resources and tools for navigation are needed to realize the full potential of Tulsa's many business training and funding opportunities.
- ▶ **Tulsa retail businesses have overall been remarkably resilient through COVID but still face significant headwinds from interest rates, inflation, and inventory supply.** While many businesses were able to remain open through COVID by utilizing federal tools like the PPP program, they find themselves now competing directly with online and big box retailers who have better financing and more robust supply chains. Additional financial tools for retailers may be needed to ensure the future of the vibrant places we enjoy.

We appreciate the work of all our resource partners that supported the development of this report as well the entrepreneurs who were willing to share their stories with us. We look forward to the future of entrepreneurship in driving economic mobility for Tulsans.

A Letter from Mayor G.T. Bynum

In my time as mayor, the City Council and I have set the goal of making Tulsa a globally competitive, world-class city. That means positioning Tulsa as a city of opportunity for everyone—a city where this generation of Tulsans builds the city they want to leave to the next.

Entrepreneurs and small businesses are carrying out this vision by providing more than half of the employment in Oklahoma.

In the last three years, these business owners have weathered a historic economic event – the COVID-19 pandemic – and are now working through its long-term effects. While many businesses have found new ways to pivot and adapt by leveraging federal and private resources, some portions of our community still have barriers to overcome.

That's why earlier in 2022, the City Council and I approved \$4 million to redevelop the former Morton Hospital near North Greenwood and Pine as the Greenwood Entrepreneurship business incubator to supplement the existing 36°North Incubator at City Hall.

We're also working to identify the best location for an entrepreneurship incubator in East Tulsa focused on the energy of our growing immigrant community.

Outside of funding, we recognize that cities have a role to play in decreasing barriers to business growth by making the City development process easier and faster.

Several years ago, we moved from a time-consuming paper-based permit application process to an online system that improved our efficiency and introduced a new level of transparency into the permitting process. As a result, our permitting timeline has decreased from five weeks to an average of just five days.

Through smart city governance, Tulsa is becoming a model for cities across the country on how to leverage data and community-building to enhance city services in meeting the needs of small businesses and entrepreneurs in our community.

Building businesses and providing quality jobs are the primary creators of opportunity for any city. Knowing this, we seek to make Tulsa known as a magnet for the growth of intergenerational wealth through entrepreneurship for years to come.

Best regards,



G.T. BYNUM
MAYOR, CITY OF TULSA



Introduction

With small businesses making up more than half of all jobs created in Oklahoma¹, the need to support entrepreneurs and small businesses owners has never been higher. That is why PartnerTulsa works with the City and all its nonprofit partners to make Tulsa a better city for individuals looking to start their own business. Partnering with organizations like Black Tech Street, 36°North, and other entrepreneurship support organizations, PartnerTulsa has worked over the past year to analyze the entrepreneurial ecosystem in the city and anticipates implementing the recommendations found in this report to support business owners throughout Tulsa.

PartnerTulsa is pleased to present the 2022 State of Entrepreneurship Report, a summary of the progress made in making Tulsa a better city for its entrepreneurs and small business owners. This is a continuation of the annual reports publicized by the Lobeck Taylor Family Foundation from 2014 to 2017. While there will be several similarities between the two reports, PartnerTulsa's version focuses more on the City's area of expertise and will provide recommendations for City leaders for the coming year and beyond. To analyze successes and shortcomings in Tulsa's entrepreneurial ecosystem, this report examines the growth in physical infrastructure and services, engagement, and promotion, as well as City policy. In each area, the report will document new developments, successes, areas for improvement, and what the City and PartnerTulsa can do to improve the small business environment.



¹ U.S. Small Business Administration, Office of Advocacy. 2022 Small Business Profile at <https://cdn.advocacy.sba.gov/wp-content/uploads/2022/08/30121329/Small-Business-Economic-Profile-OK.pdf> 2022

**Small businesses
make up more than
half of all jobs
created in Oklahoma.**



Entrepreneurs in Context



Entrepreneurs are risk-takers with a drive to share their culture and creation in the economy. They use products and ideas to solve problems for our communities while generating income. In 2020, entrepreneurs and business owners showed us what it meant to be resilient. In 2021 and 2022, we realized that recovery would also require endurance. Looking back on two years of pandemic impacts, inflation now holds the attention of many owners and founders. According to a survey of commercial entrepreneurs, *“when asked how they felt about the current state of the economy, close to 59% were either somewhat pessimistic or very pessimistic. Only 17.5% reported being somewhat optimistic or very optimistic and almost one out of four remained neutral.”*²

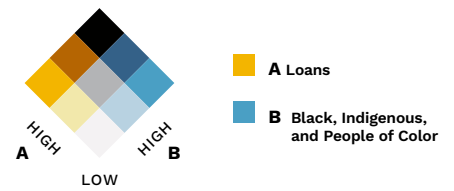
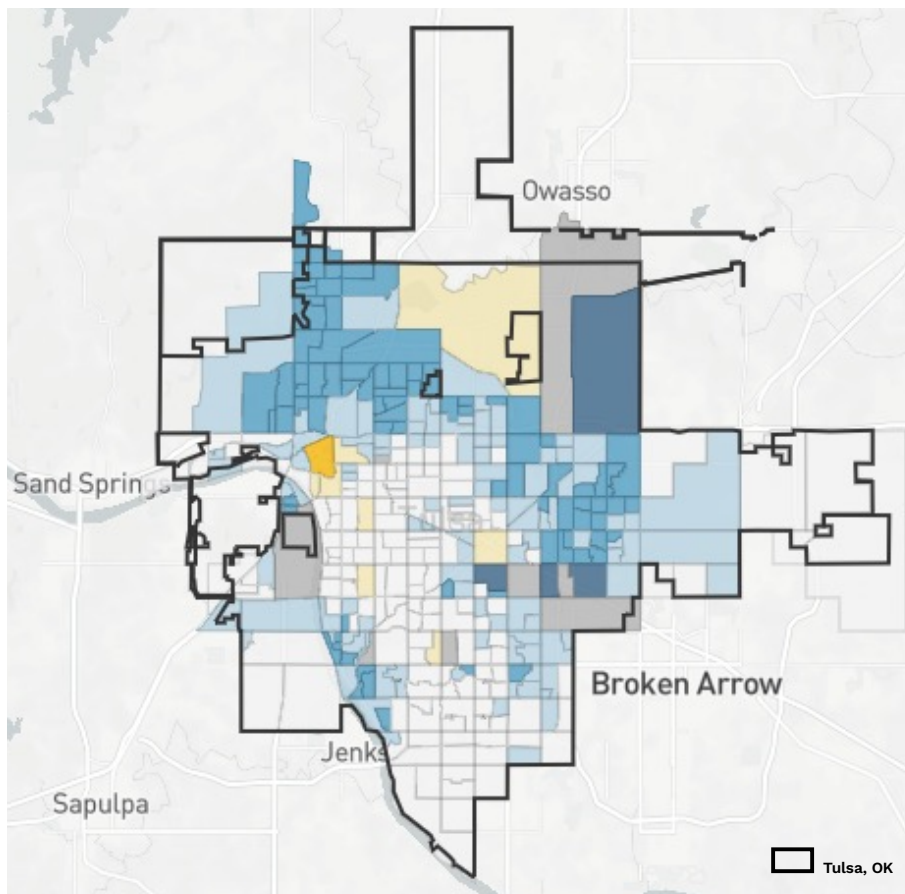
During the recent pandemic, \$1,214,521,719 ³in funding from the Paycheck Protection Program (PPP) was distributed to Tulsa area businesses through the Small Business Administration (SBA). In addition, \$26,330,966 in Restaurant Revitalization Funds were distributed along with 3,801 SBA small business loans. These funds found their way across the city, with the highest volume of PPP loans going into the downtown central business district.

\$1,214,521,719

**IN PAYCHECK PROTECTION
PROGRAM (PPP) FUNDS
DISTRIBUTED IN TULSA, OK**

² Independent Shopkeepers Association. “State of Retail Report” at <https://isaok.org/stateofretail> 2022

³ MySidewalk “Entrepreneurship Insights Hub” at <https://dashboards.mysidewalk.com/entrepreneurship-insights-hub-d9375e27874c/support#c-20012161> 2021



Reading the map:

- Light Gray = Low values of loans and POC
- Light Yellow = Moderate values of loans and low values of POC
- Yellow = High values of loans and low values of POC
- Light Blue = Moderate values of POC and low values of loans
- Blue = High values of POC and low values of loans
- Dark Yellow = High values of loans and moderate values of POC
- Dark Blue = High values of POC and moderate values of loans
- Moderate Gray = Moderate values of POC and loans
- Black = High values of POC and loans

Sources:

US Census Bureau ACS 5-year 2016-2020

Sources:

Small Business Administration 2021

Note:

This map represents the overlap of two different data variables. The first variable (Loans) is represented by the color yellow, and the second variable (Black, Indigenous, and People of Color (POC) is represented by the color blue.

According to MySidewalk⁴, “Minorities have been disproportionately affected by the coronavirus pandemic and minority entrepreneurs are no exception. The funding for the Paycheck Protection Program (PPP) initially favored large businesses with traditional banking relationships, which disadvantaged minority business owners who tend to operate outside of the traditional banking system.” In the map above, gray census tracts indicate areas of moderate PPP distribution and BIPOC population density while dark blue indicates moderate PPP distribution and high BIPOC population density. Census tracts in northeast, southeast, and southwest Tulsa also saw moderate levels of PPP loan activity.

“Minorities have been disproportionately affected by the coronavirus pandemic and minority entrepreneurs are no exception.”

Physical Infrastructure and Services



Since the last State of Entrepreneurship Report in 2017, physical spaces for entrepreneurs have grown significantly as accelerators, incubators, and coworking spaces have developed throughout downtown and midtown. Places like Kitchen 66, FabLab, The Alt Room, Brookside Collective, Bridge, and Root have greatly expanded access to office space for budding entrepreneurs throughout the city while also creating connections by hosting happy hours, networking events, and speaker nights to a receptive audience.



CO-WORKING SPACES. Clearly, there is an appetite for entrepreneurial spaces throughout Tulsa, demonstrated by the rapid growth in countless coworking spaces, incubators, and accelerators. What was once a small group of six physical co-working spaces in 2017 has grown to over a dozen and become a vital part of the entrepreneurial ecosystem. These spaces now encompass over 250,000 square-feet (sf) and can accommodate over 2,000 people. The past five years have also shown the importance of entrepreneurial spaces focused on improving economic equity, and the variety of spaces catering towards minority business owners are a step in the right direction for making Tulsa a more equitable city.

With rising demand, existing spaces have expanded to accommodate more future business owners. For example, the Root Coworking opened a 15,000-sf expansion in late 2021 to accommodate companies looking for a flexible space. The Fab Lab, a co-working maker space, has continued to grow its capacity and recently opened its expanded Hardesty Hub for Makers that includes both classrooms and offices as well as unique labs to fabricate potential products. Out of all the established spaces, 36°North might be the fastest growing of them all. Since 2017, 36°North has opened a second coworking space, a 48,000-sf certified tech incubator in City Hall, and announced a future fourth location (which will ultimately combine its current, separate footprints) with 112,000 feet of space to serve its 2,000 members with event space, a restaurant, a coffee shop, and a bar.



BUSINESS INCUBATORS have also taken off in recent years, giving more space for budding entrepreneurs to call home. Kitchen 66 has been a hub for food-based businesses since 2016 providing rentable commercial kitchen and café space, and through their efforts more than 150 businesses have gone through their program to get a start in a challenging industry. In 2021, Kitchen 66, UMA Tulsa, and community leader (and TAEO Trustee) Elian Hurtado also launched Cocina 66, which focuses on Spanish-speaking food entrepreneurs and has helped more than 40 Spanish-speaker led businesses get a start. This program teaches skills ranging from marketing and public relations to securing business permits and financing. In addition to food-based businesses, 36°North's Incubator in City Hall provides tech startups with the resources like financing and mentorship to takeoff and provide well-paying jobs in the metro area, while Hemphill Create serves as the State's only manufacturing incubator space.

INCUBATOR HIGHLIGHT:

Kitchen 66



As Tulsa's Kickstart Kitchen, Kitchen 66 decreases barriers to success for food entrepreneurs by offering access to affordable commercial kitchen space, business training programs like the Launch Program, as well as sales and distribution opportunities through pop-up spaces at Mother Road Market in K66's Takeover Cafe, Landmark Food Truck and General Store. During this program, Kitchen 66 and industry experts provide the skills-building and knowledge needed to launch a food-based business in a 12-week cohort. Covering topics like profitability, setting up an LLC, marketing and more, the Launch Program helps guide entrepreneurs along the journey to starting their full-fledged food-based business.



- ▶ **More than 150 food entrepreneurs representing 20 countries have participated in the Kitchen 66 incubator program. More than half of the concepts are women-owned.**
- ▶ **Since 2016, of the 118 graduates of the Launch program, 44% of participants go on to successfully operate their food-based businesses, including more than two dozen businesses who have opened up brick-and-mortar, food truck operations or supply consumer packaged goods to local businesses.**
- ▶ **Select list of brick and mortar and food truck businesses**
 - Howdy Burger opened brick-and-mortar restaurant in Tulsa Market District;
 - Chicken and Wolf has opened a location in the Center Court Food Hall in downtown Tulsa is set to open a second shop in the Tulsa Market District;
 - Big Dipper opened a brick-and-mortar location in Sand Springs and will soon open a second storefront on Brookside in Tulsa;
 - Pamela's Tamales opened brick-and-mortar shop in The Farm Shopping Center;
 - Que Gusto opened a brick-and-mortar store in the Tulsa Arts District; and
 - Salt and Vinegar is opening a brick-and-mortar location;

ACT TULSA:

**1.2 million invested
in local businesses and
17 local startups funded
in two years.**

PHOTO COURTESY OF ACT TULSA



ACCELERATORS in a variety of sectors have also been on the rise, reflecting the need for mentorship and education among Tulsa's entrepreneurs in a variety of industries and focused on improving equity throughout the city. Build In Tulsa accelerators, TechStar, ACT Tulsa and Lightship Capital, focus on providing black and brown entrepreneurs with funding, mentorship, and education services while also matching business owners with the tools to scale their businesses. These programs have accelerated 30 entrepreneurs in the past year. ACT Tulsa also provides capital investment with no interest or equity paired with coaching and programming. This has led to the program investing \$1.2 million in local businesses and funding 17 local startups in two years. Underrepresented and growth industries like entertainment also have accelerators of their own like the Tulsa Creative Engine, which in 2022 launched the Music Business Accelerator Program to teach a cohort of artists business skills and connect them to industry professionals who will provide them with funding to further their careers.

Physical Infrastructure and Services

(CONTD.)



OPPORTUNITIES FOR IMPROVEMENT: The City of Tulsa, PartnerTulsa, and resource organizations are already making progress in promoting these spaces and services, and continued investment will ensure the creation of new small businesses in these market sectors. There remain opportunities for growth in providing these entrepreneurial spaces.

- ▶ **Geographic Distribution.** Focus groups consistently indicated that current resources are concentrated geographically, leaving some areas without community access. Currently, Tulsa's incubators, accelerators, and coworking spaces are centrally located, leaving a gap in services for Tulsans that live in other portions of the city. To address this gap, the Greenwood Entrepreneurship incubator at Moton (GEM) is planned for the TDA-owned former Moton Hospital and will be operated by Tulsa Economic Development Corporation (TEDC). Funding for an east Tulsa incubator has been approved by the Tulsa City Council to help address growing business needs among the area's immigrant community, and plans are in progress to identify a location for the proposed incubator.
- ▶ **Physical Facility Recommendations.** Although there are now a greater number of industries that are supported by incubators, accelerators, and co-working spaces, there remains room for market diversity. Identified needs included a Main Street retail business incubator, logistics co-working or co-packing facility, and a non-profit co-working space.
- ▶ **University Collaboration.** In many university cities, academic research, and development (R&D) commercialization leads local entrepreneurial activities. However, there is a disproportionate lack of R&D currently in Tulsa (8% of statewide R&D)⁵. To address this gap in R&D conversion, part of the city's recently awarded Economic Development Administration Build Back Better Regional Challenge grant will create co-working space for advanced mobility at the Oklahoma State University Helmerich Research Center. The Center will offer a pathway to research commercialization, via 1) State-of-the-art lab space and prototyping facilities; 2) Entrepreneurial support programs, and 3) Industrial Coworking Space, where young companies can co-locate.

⁵ Higher Education Research and Development: Fiscal Year 2019 Data Tables. National Science Foundation. 2019

HIGHLIGHT:

Tulsa Global District

**Luisa Krug, Executive Director
at Tulsa Global District**



The Global District, which is the commercial district at E 21st St and S Garnett Rd, has long been the heart of the immigrant community, but recently it has gotten more attention as a local destination. In 2020, the area became part of the Oklahoma Main Street program and City of Tulsa's Destination Districts Program. A nonprofit was formed (Tulsa Global District) and I started as Executive Director in January 2022. I was excited to join the organization because I believe that creating vibrant communities leads to improved long-term outcomes for residents, whether that's in economic opportunities, education, or health.

The Global District is a vibrant cultural destination, with food and retail from Central American, Mexican, Vietnamese, and Hmong cultures. Tulsa Global District seeks to highlight this culture and diversity through events, placemaking, and supporting small businesses. In 2022, we hosted our first four events: The Square at Nam Hai, the Asian American/Pacific Islander Cultural Festival, Festival de Frida, and the Hispanic/Latinx Heritage Month Festival. Each of these festivals celebrated the distinctive cultures in Tulsa through food, dance, and art.

We have also installed a mural entitled "Dahlia Con Migos" (artist: Aunj Braggs) at Casa Herrera and are in the process of installing another mural at Rodrigo's Taco Shop (to be completed early 2023). The goal of these art installations is to celebrate culture and create a sense of place for residents and visitors.

Visitors to the Global District can try authentic food options like Tacos los Arrellano, The Red Tacos, La Tapatia, Yang's, Pancho Anaya Bakery, Pho Nhi, and Dona Gloria Tacos. For unique shopping experiences, check out the vendors at Plaza Santa Cecilia or El Bazaar. Visitors can find a variety of goods you won't find other places in Tulsa, like traditional clothing, art and pinatas.

Tulsa Global District is also home to McCullough Park, which is currently undergoing renovations to become one of Tulsa's destination parks. When completed, it will feature a splash pad, pump tracks, and sports courts.

In 2023, Tulsa Global District will continue to promote the businesses in the Global District, host events, and work on placemaking projects to enhance the area. Our vision is that the Global District becomes a vibrant neighborhood where visitors and residents can enjoy and learn about the diverse cultures in Tulsa — so we hope to see you there soon! To learn more, follow us on social media:



@TulsaGlobal



@TulsaGlobalDistrict



www.globaldistrict.org



Engagement and Promotion

There has been a concerted effort to bring various parts of Tulsa's entrepreneurial ecosystem together, and the progress over the last five years shows promise for greater communication and cooperation. Local businesses and public officials have also taken concrete steps to promote Tulsa as a hub for entrepreneurship nationally, improving the city's reputation as a business hub. In recent years Tulsa has been included on lists from publications like USA Today, Inc. Magazine, NerdWallet, and Forbes as a great place to start businesses. This is due to the hard work of a variety of partners dedicated to expanding entrepreneurial services to those who may not have known about how to access them.



LANGUAGE ACCESS. With Tulsa being a diverse city with countless languages spoken, there has been much work to promote entrepreneurship to individuals who have English as a secondary language. In addition to Cocina 66, the Hispanic Small Business Association launched in April 2022 and is working to bridge the language gap by providing information on building brands, applying for loans, and permitting in Spanish. The Hispanic Small Business Association is already partnering with Northeastern State University to provide a Spanish language business fundamentals class that can give valuable advice on networking and professional development. In 2022, the City of Tulsa announced funding for an immigrant-centered incubator to be in the East Tulsa Global District. This proposed incubator will focus on business education, access to capital and creating a support network, as well as a multi-use outdoor space to host food trucks, farmers markets and the like.



PROMOTIONAL EVENTS. Promotion of entrepreneurship has also been a success as evidenced by the variety of events conducted by resource organizations. For example, 36°North annually hosts Global Entrepreneurship Week, featuring wide variety of speakers and workshops to help small business owners succeed. In 2022, almost 40 events were hosted throughout the city. In 2022, the Downtown Tulsa Partnership held its "Days of Wonder" event featuring pop-up shops with local entrepreneurs throughout the downtown central business district. Spark Summit also serves to inform the public about entrepreneurship, especially in the arts and tech spaces, promoting the event in conjunction with a music festival showcasing almost 100 local artists.

Engagement and Promotion

(CONTD.)



COLLABORATION. Like other aspects of the entrepreneurial ecosystem, there has been explosive growth in the amount of engagement and promotion of services throughout the Tulsa area. Due to the close-knit nature of the staff between service providers, there is now a greater willingness to be cooperative in publicizing and hosting events to assist small businesses. A new focus on creating a language access plan for the City of Tulsa also bodes well for spurring entrepreneurship in areas like the Global District and South Riverside where there is great demand for entrepreneurs, but limited capacity for translating materials related to city services and processes.

In 2021, the City of Tulsa provided an example of breaking down silos between economic development functions by forming the Tulsa Authority for Economic Opportunity, known as PartnerTulsa. In this effort, five siloed groups conducting economic development on behalf of the City of Tulsa – the Tulsa Industrial Authority, the Tulsa Development Authority, the Tulsa Parking Authority, the Economic Development Commission, and the Mayor’s Office of Economic Development – were combined into a single mission-aligned organization. In its first year PartnerTulsa was able to conduct \$51 million in direct investment, aid in the creation of 958 new jobs, and support over 130 businesses.



OPPORTUNITIES FOR IMPROVEMENT:

While the developments of the last few years have been promising in terms of distributing entrepreneurial information, there are still more opportunities for growth.

- ▶ **Resource Navigation.** Unless an entrepreneur knows who provides the service they need, having those resources is of little help. Resource organizations recognize that this is a critical gap in their collective ability to support entrepreneurs and small businesses. Suggestions to address this gap have included recognizing the importance of overall ecosystem and cluster development as roles to be filled as well as annual funding for these navigational roles. In addition, resource organizations have recommended development of a shared Customer Relationship Management system, like that between United Way organizations, and trust-building, peer-learning events for resource providers to increase inter-organizational knowledge.
- ▶ **Branding and Marketing.** The city also stands to benefit from greater collaboration with potential founders and owners. One way to attract entrepreneurship could be found in a shared brand and marketing message that highlights the community’s robust entrepreneurial ecosystem that makes the area attractive to startups. With the rise of remote work in the aftermath of COVID-19 and the successes of the Tulsa Remote program, there exists a model of creating a unified pitch for entrepreneurs to move to Tulsa and develop their businesses. It has also been suggested that this be extended to be not only a Tulsa campaign, but a regional campaign extended along the US-412 corridor to northwest Arkansas.

ZIMBO IN TULSA, 2022

**Tulsa is like a speakeasy,
if you know which door
to knock on, a world of
opportunity opens up.**



INTERVIEW:

Tiffany Riley

LivyLu



Q Can you tell us about LivyLu and how you got started?

A My mom and I started LivyLu in 2003 as a crafting business out of my home. We made purses and sold them to a few local boutiques. That somehow led to sorority and college licensed items and, eventually band licensing. We moved the business out of my home a few years later into a warehouse in Tulsa. About five years ago, we opened our first brick and mortar store at 6th and Peoria.

Q Many owners had to transition quickly to online sales during COVID, but LivyLu already had a strong online presence. What changes, if any, did you make during the pandemic?

A We, of course, went to online only for a time and took turns coming into the shop to pack orders. We incorporated contactless free same day delivery to encourage people to continue buying. Customers could also choose to call us from their car for pick ups. We made countless videos for social media reminding people the ways they can stay safe and still continue to shop.

Q What do you feel are the biggest challenges to small businesses now?

A I think the economy is one of our biggest challenges right now. There's a need for increased wages at all levels due to inflation. This, in turn, means a cost increase to the end customer which can sometimes be met with resistance. Especially when your average person is needing to cut back on expenses due to increased costs in basic necessities, food, gas, etc. It makes it hard to compete with big box stores, amazon, and so on. Small local businesses have to work overtime to make sure they are offering personalized service, unique items, and ease of transaction to even begin to compete.

Q What would you like people to understand about local retail?

A Local retail is the essence of our city. The eatery, pub or retail store you can only experience here. They are the businesses who are feeding back into our local economy and bringing something uniquely ours as Tulsans. Our local shops offer a level of service you can't get from big box. We know our customers names, get to know their needs and go out of our way to meet those needs. We care about service, friendship, community, and your kids school walk-a-thon. Most of all, we are grateful for every customer who walks through our doors and allows us to continue our dream.

City Policy

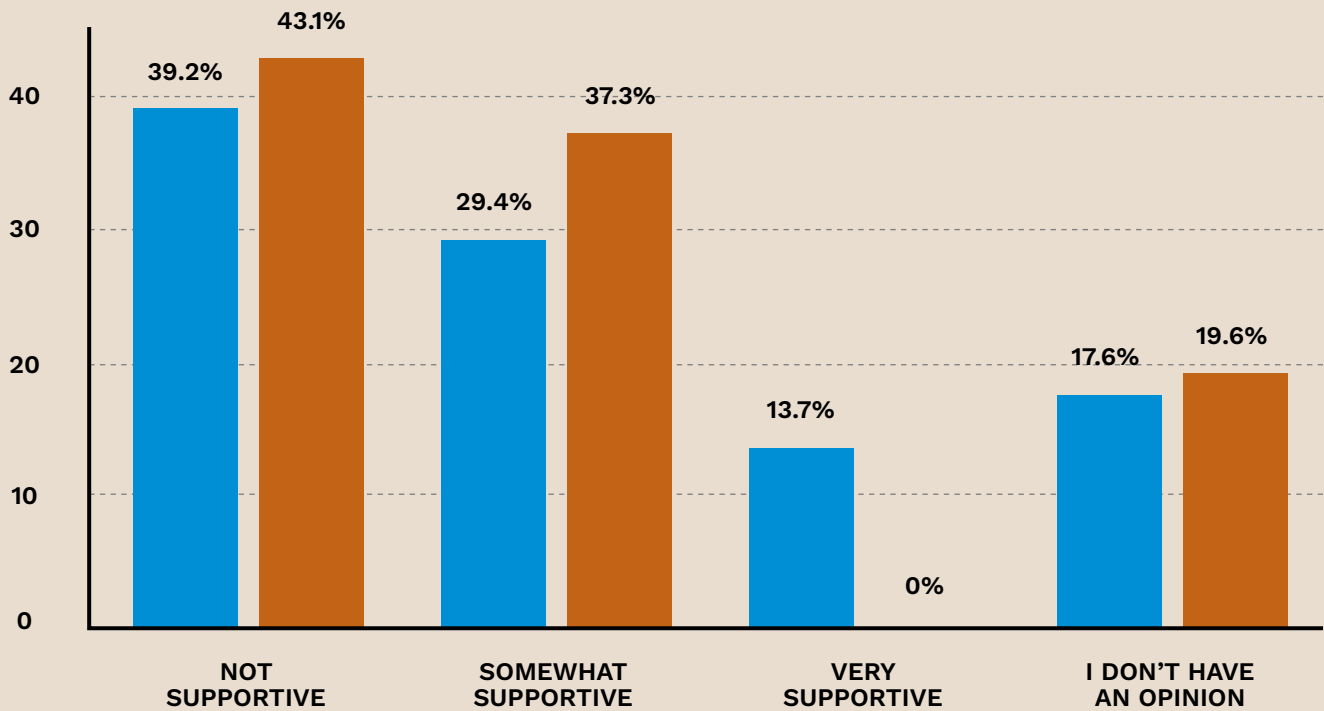


City leaders have historically recognized the importance of entrepreneurship and now have the capacity to place more focus in making policies to help small business owners by providing them with the resources they need to thrive. That focus is reflected in results from a 2022 survey by the Independent Shopkeepers Association⁶ that indicated two out of three owners felt neutral or supported by their local government. According to that report, *“While federal programs like PPP and EIDL were largely discussed and studied on the national level for their effectiveness in COVID business retention and recovery, less of the spotlight has been shone on the impact of similar local and state programs. Besides monetary help, the overall feeling of support small businesses feel from the forms of government closest to them has an undeniable effect on our cities and state business climate.”*

“ Besides monetary help, the overall feeling of support small businesses feel from the forms of government closest to them has an undeniable effect on our cities and state business climate. ”

⁶ Independent Shopkeeper’s Association “2022 State of Retail in Oklahoma” at <https://isaok.org/stateofretail> 2022

LOCAL VS STATE



PERMITTING SUPPORT. Starting a brick-and-mortar business involves navigating local permit processes, including zoning rules and building permit requirements, which can be challenging. As noted by a recent [Barriers to Business](#) report⁷ which studied 20 cities (not including Tulsa), to open a barbershop an entrepreneur would need to complete an *average* of 55 steps, with eight different government agencies involved in the process in most cities. To address these needs, PartnerTulsa has made one its goals removing barriers to permitting for small businesses. The first step was to establish a full-time Business Services Liaison, providing one-stop support for businesses encountering difficulties in local permitting. In 2021-2022, the Business Services Liaison supported over 90 local businesses and seeks to grow this number in the coming year, with an enhanced focus on reaching a greater number of small businesses and entrepreneurs.

The City has also taken on a heavy lift to level the playing field for small business owners. As noted by the Barriers to Business report, “(Municipal) Regulations are often opaque, and on average, cities do a poor job of creating comprehensive portals—one-stop shops—that give entrepreneurs reliable step-by-step guides on how to navigate rules.” The city’s paper-based permitting processes were a key issue noted in the 2017 State of Entrepreneurship report. To address this concern, in 2018, the City of Tulsa’s Development Services Department added an online self-service portal which allows individuals to apply for permits, schedule inspections, track projects, and add multiple users to projects to streamline the permitting process.

⁷ Institute for Justice “Barriers to Business” report at <https://ij.org/report/barriers-to-business> 2022

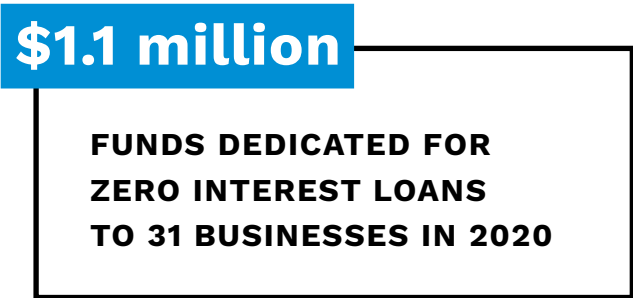
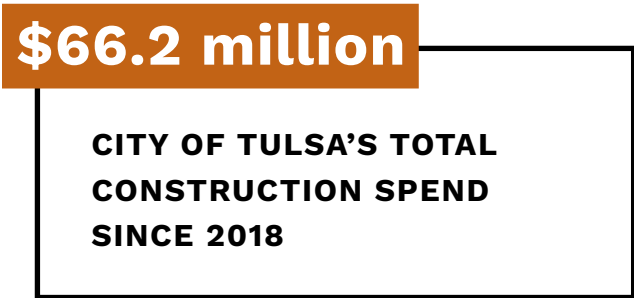
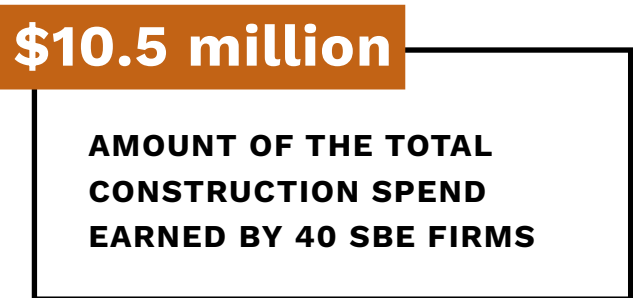
INSTITUTE FOR JUSTICE

Cities improve small business growth by providing a reliable cheaper, faster, and simpler regulatory environment.





SMALL BUSINESS PROGRAM. The City of Tulsa’s [Small Business Enterprise \(SBE\)](#) Program has also been a step in the right direction for engaging small business owners and involving them in City contracting. Since the Mayor’s Executive Order was signed in 2018, the program has given business owners the opportunity to provide the City with at least 10% of its goods and services and currently has approximately 125 enrolled companies. Ongoing oversight and supervision have also made sure that appropriate small businesses are receiving contracts with larger prime contractors and receiving the necessary training to bid on large construction projects. The SBE Program has accomplished its high-level goal of having SBE businesses subcontract to perform 10 percent of work on City Engineering and Construction projects. On the 47 City projects completed since 2018, 40 SBE firms have earned \$10.5 million (15.8%) of the City’s total construction spend of \$66.2 million.





CAPITAL FUNDING. The City and PartnerTulsa provide funding for small businesses, with incentives focused on businesses locating in the city's two bus rapid transit corridors to encourage transit-oriented development. In the 2017 State of Entrepreneurship Report, the two most common financial obstacles cited were equity and access to grants. In 2019, the City of Tulsa established of a Commercial Revitalization Revolving Loan Fund. This fund provides flexible loan program for small businesses and property developers looking to expand in the two Bus Rapid Transit corridors, encouraging transit-oriented development. In addition, the City and PartnerTulsa implemented a permit fee reimbursement program that can be utilized by commercial development and small businesses to reimburse permitting fees assessed by the City of Tulsa. In 2020, in partnership with Tulsa Economic Development Corporation (TEDC), the City of Tulsa dedicated \$1.1 million in Resilience and Recovery funds for zero interest loans to 31 businesses, providing financial assistance to small business owners and entrepreneurs affected by COVID-19. These efforts have laid a foundation of policy as well as templates for execution that can be expanded and built upon for future efforts.



OPPORTUNITIES FOR IMPROVEMENT: Many business owners see municipal bureaucracy as opaque and difficult to navigate. Collaboration between the City of Tulsa, the Tulsa Planning Office, and PartnerTulsa will be needed to remove barriers to business development in a coordinated way.

- ▶ **Be present in the community.** The creation of the 36°North Incubator in City Hall took this a step in the right direction in terms of using public facilities to encourage entrepreneurship. Formerly, the Tulsa Mayor regularly worked out of a 36°North office, which is an opportunity for PartnerTulsa as well. Another option could be incorporating PartnerTulsa small business staff in mobile City Hall On the Go outreach. While PartnerTulsa and the Mayor conduct an annual small business roundtable in coordination with the Tulsa Regional Chamber, regular office hours where any potential or current business owner can meet with staff to discuss their questions would also be helpful.
- ▶ **Expand SBE Program.** The Mayor's Executive Order creating the SBE Program applied to all portions of City procurement but is only being applied to Engineering and Construction projects. The opportunity exists to expand the program's scope inside City departments and extend to its authorities, an action which has requested by program participants.
- ▶ **Expand Retail Loan Programs.** Opening the geography of PartnerTulsa's commercial revitalization loan and fee reimbursement programs beyond the Bus Rapid Transit corridors to additional commercial centers has been recommended to ensure that all of the city's major commercial districts benefit. In addition, as PartnerTulsa development projects like the Kirkpatrick Heights-Greenwood Master Plan come online, public capital would benefit from growing capacity now to ensure a pipeline of companies for future funding opportunities.

Recommendations and Conclusions



Reflecting on the momentum of the last few years' developments in the small business development space, opportunities abound for entrepreneurs to start and grow their own businesses in Tulsa. While there are still improvements to be made, the outlook looks better for entrepreneurs in 2023 than any other year prior, especially with the rise of remote work. However, this is not to say that we should settle for the status quo, rather we must collectively work to ensure that even more people can access tools to start and thrive in their businesses. Four overarching themes have appeared in our analysis which are summarized below:

- ▶ **Communicate Resources.** There has been a rapid increase in resources available for entrepreneurs. Tulsa now boasts a dozen co-working locations, business incubators encompassing a range of market sectors and languages, and a community focused on equitable opportunity. Nevertheless, many, if not most, entrepreneurs remain unaware of the supports available to them. Even knowing provider organizations, it may still be difficult to navigate to the right resource for an individual business need, leaving business owners feeling left out.

Most of the time, this comes from a lack of clear communication or a lack of navigational knowledge. For example, while city policies and processes have improved and optimized over the years, a lack of ongoing outreach about these changes leads to a perception that the City is not doing enough to help entrepreneurs. While social media and newsletters are an important step in the right direction, they often only reach people and companies who are already aware of the work being done. Promotion of existing resources and development of tools for navigation will be needed to realize the full potential of Tulsa's many business training and funding opportunities.

- ▶ **Build on Successes.** Similarly, organizations that provide mentorship, coworking spaces, and access to capital have multiplied in the past five years. However, their programs are often geographically limited because of co-location of resources. In entrepreneurial ecosystem development, density of resources is ideal for creating opportunity and promoting creativity. Putting founders and owners in proximity to funding, knowledge, and mentoring are key to seeing businesses grow to sustainability quickly. The question then is not how should existing entrepreneurship resources be redistributed across the city, but how do we use what is working well as a template for other geographies.



- ▶ **Expand Toolbox.** Overall, retail businesses have overall been remarkably resilient through COVID but still face significant headwinds from interest rates, inflation, and inventory supply. While many businesses were able to remain open through COVID by utilizing federal tools, like the PPP program, they find themselves now competing directly with online and big box retailers who have better financing and more robust supply chains. Additional financial tools for retailers are needed to ensure the future of the vibrant places we enjoy. This could include expansion of where PartnerTulsa retail incentives can be applied or development of additional tools, like a Revolving Loan Fund, to support targeted growth.
- ▶ **Lead in Procurement.** The City of Tulsa can promote entrepreneurs and small businesses by enhancing procurement. While the Mayor's Executive Order applies to all portions of City procurement, it is only being applied to Engineering and Construction projects. The opportunity exists to expand the program to the scope intended by the Executive Order. There is also an opportunity to support small businesses and entrepreneurs by engaging in a corporate challenge, similar to the City's Pay Equity Challenge, but with procurement. With a solid track record of construction-related small business contracting above and beyond its initial goal, the City has the opportunity lead other organizations in doing the same while expanding the program internally.

Reflecting on the work done in the last five years, there has been significant work done to make Tulsa a better city for its entrepreneurs. The analysis and recommendations of this report outline steps that can be taken to ensure Tulsa remains a place with opportunity for all.

