

A nighttime photograph of the Tulsa skyline. In the foreground, a large, bright blue fountain sprays water upwards from a pond. The pond is bordered by a low stone wall. Behind the pond, there are several trees and a grassy area. In the background, several tall buildings are lit up, including a prominent one with a blue and red light display at the top. The sky is a deep blue with some clouds.

**2025 Edition**

**PARTNER  
TULSA**

**Tulsa Incentive Programs & Policy**

Approved May 2023

## Overview

This policy document contains the policies, processes, and review procedures for major economic development incentives offered by the City of Tulsa and managed by the Tulsa Authority for Economic Opportunity (operating as PartnerTulsa). The intent of this document is to outline a clear and consistent process across multiple programs, with the ultimate goal of ensuring applicants to programs experience a uniform and reliable process as they seek to invest in Tulsa.

## Incentive Application Process

Applicants for the programs outlined in this document are required to schedule a meeting with PartnerTulsa to discuss which incentives a project may be eligible for. A meeting with PartnerTulsa is required prior to application submittal and can be requested by contacting PartnerTulsa via email or phone. Applications must be submitted to the following address:

PartnerTulsa  
100 S Cincinnati Ave, Ste 6  
Tulsa, OK, 74103  
Attn: Spencer Mitchell, Director of Economic Incentives

Applications may also be submitted to the following email addresses:

[spencer@partnertulsa.org](mailto:spencer@partnertulsa.org)

[info@partnertulsa.org](mailto:info@partnertulsa.org)

## PartnerTulsa Initial Review and Evaluation of Project Application

During the evaluation of an application, PartnerTulsa staff will determine if the proposed development / redevelopment meets any of the stated goals below:

- A. Increase sales tax revenue through direct sales, purchases by employees and purchases from City of Tulsa vendors;
- B. Increase ad valorem revenue to the City, Tulsa County, school districts located within the City, and other local and area education and governmental entities that benefit therefrom;
- C. Enhance property values within the City;
- D. Contribute to the economic well-being of the citizens and residents of the City, Tulsa County and the State of Oklahoma.
- E. Diversify the local economy, provide economic stimulus for additional employment and other development, and provide training and employment opportunities; and
- F. Contribute to an expansion of economic development opportunities in the City of Tulsa through participation in public private partnerships. If applicable, such development efforts may include:
  - 1. Providing enhancements to public infrastructure.
  - 2. Encouraging private investments into facilities that increase efficiencies of public transportation systems.
  - 3. Increasing efficiencies of public access and convenience to engage in private commercial activities.
  - 4. Promote the health, safety, economic security, prosperity and general welfare of the citizens of

the City of Tulsa.

5. The development and preservation of quality affordable housing.
6. Promote development of new housing projects

If PartnerTulsa determines the project does not align with one or more of the above-stated goals, the applicant will be notified that the request for funds will not be recommended for approval by the City. To the extent feasible, PartnerTulsa staff will endeavor to provide feedback on alternative and external sources of support available to support projects that do not qualify for funds.

## **Financial Impact Analysis of Application**

PartnerTulsa will consider the following issues regarding the project to ensure the public benefits to the City will be positive within the proposed award term:

- A. Cost of the incentive (including labor costs of PartnerTulsa and City Staff);
- B. Cost of City services such as police and fire;
- C. Wear and tear on City Streets and roads;
- D. Increased burden on water, sewer, and storm systems; and
- E. Estimated "transfer losses" from existing merchants.

If PartnerTulsa determines the project will have a negative fiscal impact on the City of Tulsa, the applicant will be notified that the request for funds will not be recommended for approval by the City.

## **Evaluation of the Project's Public Purpose**

PartnerTulsa will evaluate the public purpose served by the proposed development using the following criteria:

- A. The way in which the public may benefit compared to the way in which private parties may benefit;
- B. The overall primary effect of the public expenditure;
- C. The consideration given for the expenditure;
- D. The location or site improvement of a particular project;
- E. The creation of job opportunities;
- F. The comparison of private dollars involved in a project to the number of public dollars;
- G. Increased tax and/or other revenues;
- H. For residential projects and projects with residential components, the effects of proposed rent and unit delivery on overall housing market across the City and in any relevant submarket;
- I. Competition with other localities; and
- J. Nature and scope of public improvements to be constructed by the developer.

If PartnerTulsa determines the project does not have a sufficient public purpose, the applicant will be notified that the request for funds will not be recommended for approval by the City.

## **PartnerTulsa Standards for Financial Underwriting for the Downtown Development and Redevelopment Fund and Affordable Housing Trust Fund Incentives**

During the staff review process all applications for these incentives are subject to PartnerTulsa's Standards for Financial Underwriting (see Attachment E). Staff shall evaluate applications according to the principles and

guidelines laid out in Attachment E, but generally successful applications will have:

1. Utilized maximum debt capacity based upon reasonable market standards and ratios;
2. Contributed a sufficient equity investment into the project based upon reasonable market standards and ratios;
3. Receive a reasonable market-based return on the project; and
4. Pursued all other appropriate capital sources for the project, as applicable.

## **Technical Review Committee (TRC) Review**

Upon completion of the PartnerTulsa Review and Evaluation, Financial Impact Analysis, and the Evaluation of Public Purpose, PartnerTulsa shall forward the application to the Technical Review Committee (TRC). The role of the TRC is to determine the completeness of applications in advance of formal review by the Full Review Committee. The TRC consists of a representative from each of the following City Departments.

- A. Mayor or his/her Designee
- B. PartnerTulsa Executive Director or Designee
- C. Mayor's Office of Resilience and Equity
- D. Public Works
- E. Finance
- F. Legal

If the TRC determines the application is complete, the application shall be forwarded to the Full Review Committee for review and consideration.

## **Full Review Committee (FRC) Review**

The FRC will be convened to discuss and applications in order to select projects that best achieve the City's goals and objectives and provide the best return on investment of public funds. Membership of the FRC consists of six (6) standing members, as well as special members representing stakeholders for specific incentive programs. Standing members shall be:

- A. Mayor or his/her Designee
- B. PartnerTulsa
- C. Mayor's Office of Resilience and Equity
- D. City Council Chairperson or designee
- E. City Councilor for the district in which the proposed project is located
- F. City Experience

In addition to the standing members, the following stakeholders shall be included in the FRC for the below

incentives:

Downtown Loan Fund	Revolving	Economic Infrastructure Fund	Development Fund	Retail Incentive Policy	Retail Revolving Loan Fund	Revitalization Loan Fund	Affordable Fund	Housing	Trust
Downtown Partnership– Representative 1	Tulsa	Tulsa Regional Economic Department	Chamber – Development n/a		Tulsa Development (TEDC)	Economic Corporation	Affordable Committee – Representative 1	Housing	Trust Fund
Downtown Partnership– Representative 2	Tulsa						Affordable Committee – Representative 2	Housing	Trust Fund
							Affordable Committee – Representative 3	Housing	Trust Fund

The following City of Tulsa Departments will support the work on the FRC in an advisory role:

- A. Public Works
- B. Finance
- C. Legal

The Full Review Committee will:

- A. Work in conjunction with PartnerTulsa to review and evaluate incentive applications based upon the criteria enumerated in each program-specific section below.
- B. Recommend:
  - 1. Which projects shall receive funding;
  - 2. The amount of funds to be assigned to each approved project; and
  - 3. Term(s) of the award.
- C. If necessary, invite applicants with pending requests to the meeting where a recommendation is to be made.
- D. Forward the recommendation of the committee to the City Council or Mayor, as applicable and outlined in the below sections for each incentive.
- E. If the FRC does not support an application or suggests modification, a written response will be sent to the applicant.

## Amendments to Incentive Agreements

Requests for amendment to active incentive agreements will be considered on a case-by-case basis. If the developer or company is unable to fulfill the obligations outlined in an incentive agreement due to forces reasonably out of their control, they may request an amendment by contacting PartnerTulsa. The process for requesting amendments to incentive agreements will generally follow the process outlined below:

1. Developer or company contacts PartnerTulsa to understand what documentation may be required to process the request.
2. Developer formally submits the request and required backup documentation to PartnerTulsa.
3. PartnerTulsa reviews the request. If the requested amendment constitutes a “major” amendment to the agreement, meaning substantive changes to the term or nature of the agreement, PartnerTulsa will forward the request and any staff recommendations to the Full Review Committee for review and consideration.
4. If the Full Review Committee recommends any amendments to the agreement, the recommendations will be forwarded to the Mayor for their approval.
5. If approved by the Mayor, the recommendation will be forwarded to the City or PartnerTulsa for implementation.

Projects requesting an amendment should contact PartnerTulsa to discuss the documentation needed to evaluate their request. Generally, amendments may require the following:

- A. Narrative Explaining Request for Amendment: The project owner shall provide a signed letter which includes a clear narrative of the reason for the requested amendment, and the clauses of the current agreement which the project owner seeks to amend.
- B. Detailed Financial Information: For amendments related to a loan, the project owner shall provide detailed financial information, including but not limited to correspondence with and between a project and its primary lender, documentation of any proposed sales of the property, and a narrative of the specific conditions and limitations that require the project owner to request an amendment.

In addition to the required documentation, parties requesting an amendment to any incentive agreement should expect to incur additional costs associated with review, evaluation, and implementation of any amended incentive agreement. These include but are not limited to:

- A. Payment of Administrative Costs: The project owner shall pay all administrative costs associated with the review and consideration of the request. This shall include the costs incurred by the City of Tulsa and PartnerTulsa, if applicable. These include but are not limited to legal fees, staff time to evaluate requests for revisions, and document preparation costs.
- B. Payment of Interest or Fees: If applicable, the project owner shall pay an interest charge (determined by the Full Review Committee) on borrowed funds during the period of deferral. If the incentive agreement is not structured as a loan, the Full Review Committee may recommend a fee if the request is approved.

# **Downtown Development and Redevelopment Fund**

## **Statement of Purpose**

To promote high quality development in Downtown Tulsa (within the Inner Dispersal Loop) including but not limited to catalytic mixed-use and/or preservation-based projects. Developments should increase investment opportunity and potential, support increased employment or population density in Downtown, and/or fill gaps in the Downtown market. Through the development of real estate projects in Downtown, the Fund should promote new business activity, retain businesses, and support infrastructure costs for private development.

## **Sources of Funding**

The Fund utilizes four separate sources of funding to promote development in Downtown Tulsa:

- The voter approved 2001 City Sales Tax
- The voter approved 1996 City Sales Tax
- The voter approved Vision 2025 Sales Tax
- The voter approved 2013 Improve Our Tulsa Sales Tax.

This program may also include additional funds as they are recovered through previous revolving loan programs. In addition, funds returned through previous revolving loan programs may be used for other programs.

## **Administration of Funds**

Funds will be made available as short-term (not to exceed 7 years) loans awarded by the City and administered/monitored in accordance with the loan program agreement between the City of Tulsa and PartnerTulsa and any additional agreements necessary for proper administration and monitoring.

## **Criteria for Award and Use of Funds**

The criteria/objectives to be under consideration for this fund include, but are not limited to:

- A. It is the objective of this fund to provide assistance by filling a demonstrated financial gap with public funds in those unique instances when this is the most appropriate program or resource;
- B. The fund is designed to assist with development or redevelopment of physical property located within the Inner Dispersal Loop (IDL) of Downtown Tulsa;
- C. The fund is designed to support the development of housing in a variety of types and with a range of prices, including housing that is affordable to residents with incomes at or below the area median income;
- D. Projects should be catalytic in nature, contributing to the creation or retention of housing, new business, development, or employment;
- E. It is not the intent of the policy to fund land acquisition;
- F. Where applicable, cost sharing and claw-back provisions will be negotiated; and
- G. Applicants must disclose any and all incentives and all elements of their proposed capital stack.

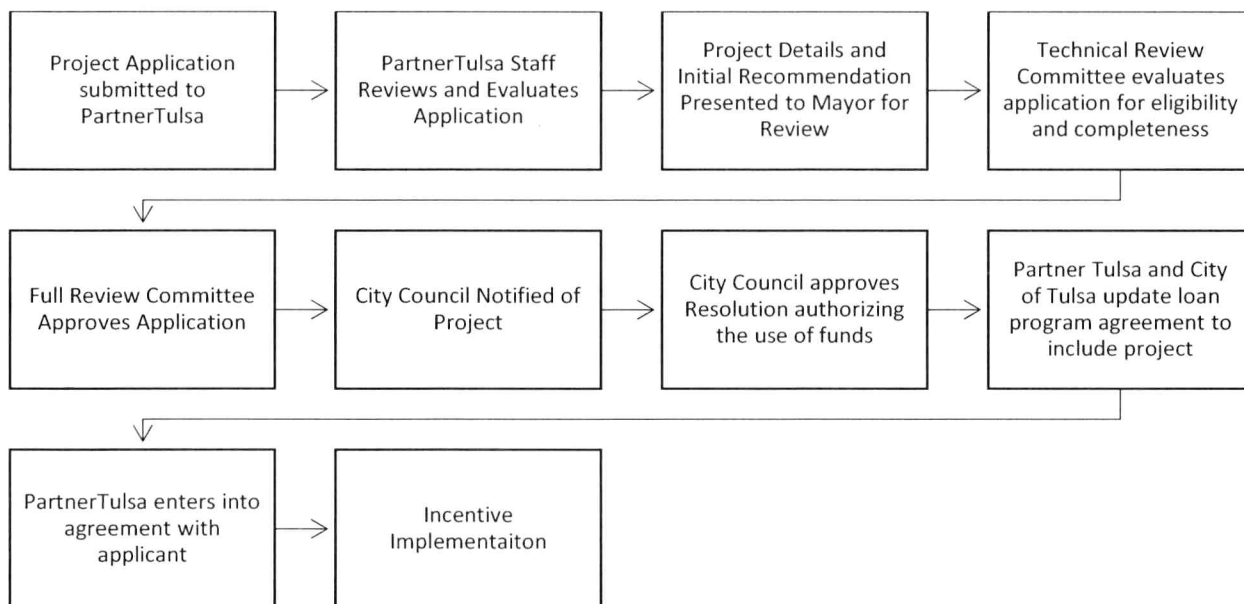
## **Administration of Development / Redevelopment Agreements**

Following approval of the loan application pursuant to the steps detailed below, PartnerTulsa will enter into a

development agreement with successful applicants. Additionally, Developers must submit quarterly reports (first Fridays) of July, October, January, and April. These reports must demonstrate the progress the project has made toward the performance goals outlined in the development agreement and will be used to conduct an annual compliance evaluation.

## Detailed Approval and Implementation Process

Applications for Downtown Development Redevelopment Funds shall follow the following approval and implementation process.



# Economic Development Infrastructure Fund

## Statement of Purpose

To assist with valid public infrastructure needs related to the retention, expansion, and attraction of quality employment opportunities within the corporate limits of the City of Tulsa.

## Sources of Funding

The Fund utilizes two separate sources of funding to support the expansion, retention, and attraction of quality employment opportunities within the corporate limits of the City of Tulsa.

- Improve Our Tulsa I – 2013
- Improve Our Tulsa II – 2019

## Criteria for Award and Use of Funds

The criteria and objectives which guide consideration and awards from this fund include, but are not limited to, the following key issues and items:

- A. It is the objective of this fund to provide assistance with public infrastructure needs in those unique instances when this is the most appropriate program or resource. For the purpose of this policy, public infrastructure shall include improvements or enhancements to water, sewer, stormwater, road/street, traffic control, or transit infrastructure, or other improvements located within the public Right of Way or on publicly owned property;
- B. This fund is designed to assist with the retention, expansion, and attraction of quality jobs which support the City's goals of raising per capita income and increasing economic mobility for its residents;
- C. It is not the intent of the policy to fund land acquisition;
- D. All projects will be subject to the negotiation of a formal agreement governing the use of funds, to include cost-sharing and claw-back provisions; and
- E. All awards are made based upon fund availability and analysis of the impact of the project under consideration.

## Job Quality Measures

- A. **Wage Requirement:** It is the objective of this program and policy to support efforts to increase per capita income and improve economic mobility among Tulsa citizens. As such, applicants must meet the following wage requirements in order to be considered for an award of funds.
  1. Average wage of all jobs retained or created must be equal to or greater than the average county wage, defined as the prevailing average wage in the prior calendar year as reported by the Bureau of Economic Analysis; and
  2. The calculation of average wage may include overtime and bonuses but shall not include the value of health or other employee benefits.
- B. **Benefits Requirement:** It is further the objective of this program and policy to support efforts to improve health outcomes for Tulsa citizens. As such, applicants must provide health benefits which meet the following criteria:
  1. All businesses must offer basic health insurance coverage to all employees working 30 hours or more

- per week, whose pay is included in the payroll for qualification;
2. Employees must pay no more than 50% of the premium cost and Employees must be allowed access to the coverage within 180 days of employment; and
  3. Employees must have the ability to accrue Paid Time Off within 180 days of employment.
- C. **Job Opportunity Measures:** It is further the objective of this program and policy to support efforts to increase job opportunities for Tulsans who experience barriers to employment and to provide access to jobs which provide the opportunity for career advancement from entry-level positions.
1. **Second-chance hiring:** Employers providing job opportunities, training, and support for justice-involved Tulsans may request an exception to the policy's average wage requirements. In no circumstance shall funds be awarded to employers whose average wage is less than 80% of the average county wage. Employers must show evidence of institutionalized training opportunities to allow for career advancement to qualify for an exception to wage requirements.
  2. **Training and career pathways:** Employers who provide institutionalized training opportunities to allow for career advancement from entry-level positions to higher-level positions may request an exception to the policy's average wage requirements. In no circumstance shall funds be awarded to employers whose average wage is less than 80% of the average county wage.
  3. **International and foreign credentials:** Employers that recognize credentials from countries outside the U.S., or recruit individuals with foreign credentials, may qualify for enhanced support per the provisions outlined in Section D below.
- D. **Ensuring Economic Mobility:** Employers who meet or exceed the minimum wage criteria outlined in Section A (or an exemption thereto under Sections C 1 or 2), the minimum benefits criteria outlined in Section B, while also meeting Job Opportunity measures in Section C, shall qualify for consideration for an increased award from the fund.

## Consideration for Catalytic Economic Development Projects

The Full Review Committee may consider variances to the Wage Requirement, Benefit Requirement, or Job Opportunity Measures for catalytic projects requesting use of the Fund. For the purpose of the Economic Development Infrastructure Fund, catalytic projects are defined as:

- A. A capital investment of \$100,000,000 or more; and
- B. The creation of 1,000 or more FTE jobs.

In order for the FRC to consider a variance, the project must meet at least two (2) of the three (3) measures outlined in Section C of Job Quality Measures. In no circumstance shall funds be awarded to employers whose average wage is less than 70% of the average county wage. For variances to the Benefits Requirement, the Full Review Committee shall only consider requests related to the minimum employment timeframe for receipt of benefits; in no circumstance shall funds be awarded to employers who do not offer health benefits or paid time off.

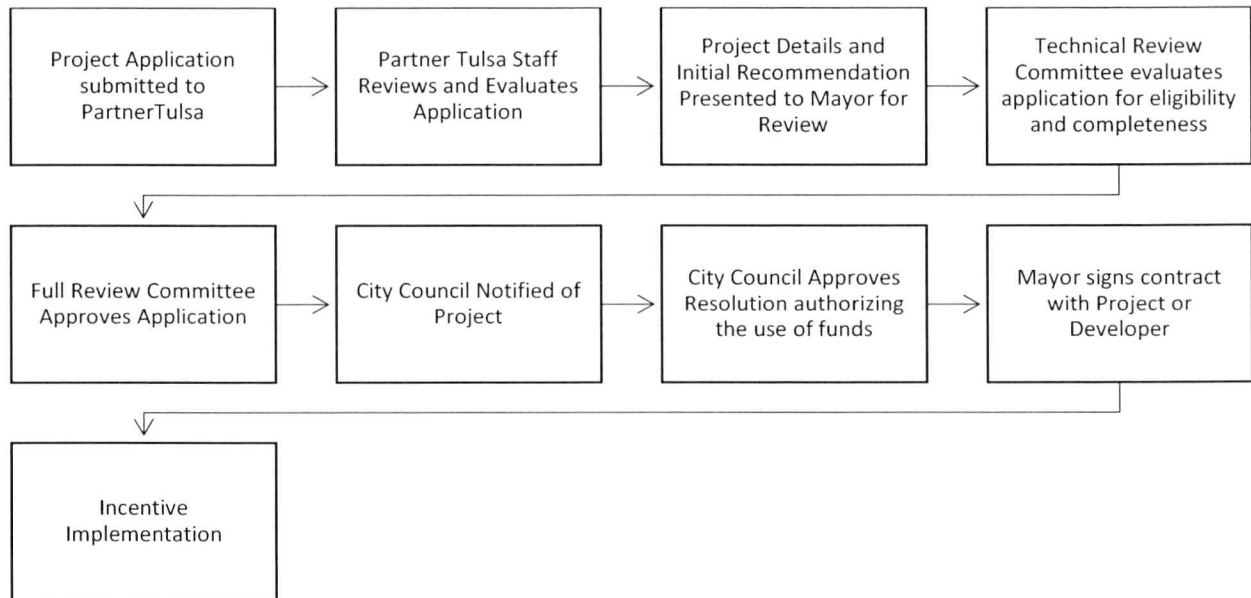
## Project Implementation

Depending on the terms of the contract with the developer, the City's Public Works Department may implement the project and manage construction of the improvements, or when appropriate, the developer may construct the improvements through the appropriate processes (IDP typically) and be reimbursed to an amount approved by

the City upon submission and approval of qualifying costs of construction.

## Detailed Approval and Implementation Process

Applications for Economic Development Infrastructure Funds shall follow the following approval and implementation process.



# **Affordable Housing Trust Fund**

## **Overview**

The Affordable Housing Trust Fund ("AHTF") is a city-wide fund for production and preservation of affordable housing through affordable rental housing development, homebuyer assistance, landlord incentives, and rental assistance. The AHTF is a key tool in the implementation of the Affordable Housing Strategy to make the City of Tulsa an economically thriving, inclusive community with quality housing opportunities for all its residents. This fund is a cornerstone in Tulsa's efforts towards neighborhood stabilization, revitalization, and wealth building for Tulsa residents.

## **Sources of Funding**

The AHTF is funded by City of Tulsa Vision 2025 funds to provide quality housing opportunities for those that need it, including those who do not meet eligibility requirements for federally funded housing programs.

## **Criteria for Award and Use of Funds**

The criteria and objectives which guide consideration and awards from this fund include, but are not limited to, the following key issues and items:

- A. It is the objective of this fund to encourage and assist in the development and preservation of affordable rental and for sale housing throughout the City of Tulsa;
- B. This fund is designed to aid developers, property owners, tenants, homeowners, etc. in those unique instances when this is the most appropriate program or resource to develop new or preserve existing affordable housing. Examples include but are not limited to:
  - a. Low interest debt or grants to assist in the construction or redevelopment of new affordable housing.
  - b. Strategic partnerships with area nonprofits to provide assistance to Tulsans through rental assistance, homebuying assistance, utility assistance, etc.
  - c. Partnerships with area landlords to deter displacement of current residents and to preserve affordable rental rates;
- C. It is not the intent of this fund to assist projects located within the Inner Dispersal Loop, as resources for the development and preservation of housing exist in that area. However, in some instances the AHTF may be leveraged to assist in the development of high-impact projects that increase access to affordable housing within the Inner Dispersal Loop;
- D. All projects will be subject to the negotiation of a formal agreement governing the use of funds, including cost-sharing and claw-back provisions; and
- E. All awards are made based upon fund availability and analysis of the impact of the project under consideration.

## **Administration of Funds**

On August 5, 2020, \$4 million in Vision 2025 funds were allocated for the creation of the AHTF for affordable housing and neighborhood revitalization. The Vision 2025 funds in the AHTF are administered through a

contract between the City of Tulsa and PartnerTulsa. PartnerTulsa is responsible for the negotiation of development agreements with selected applicants following the approval and implementation process outlined below.

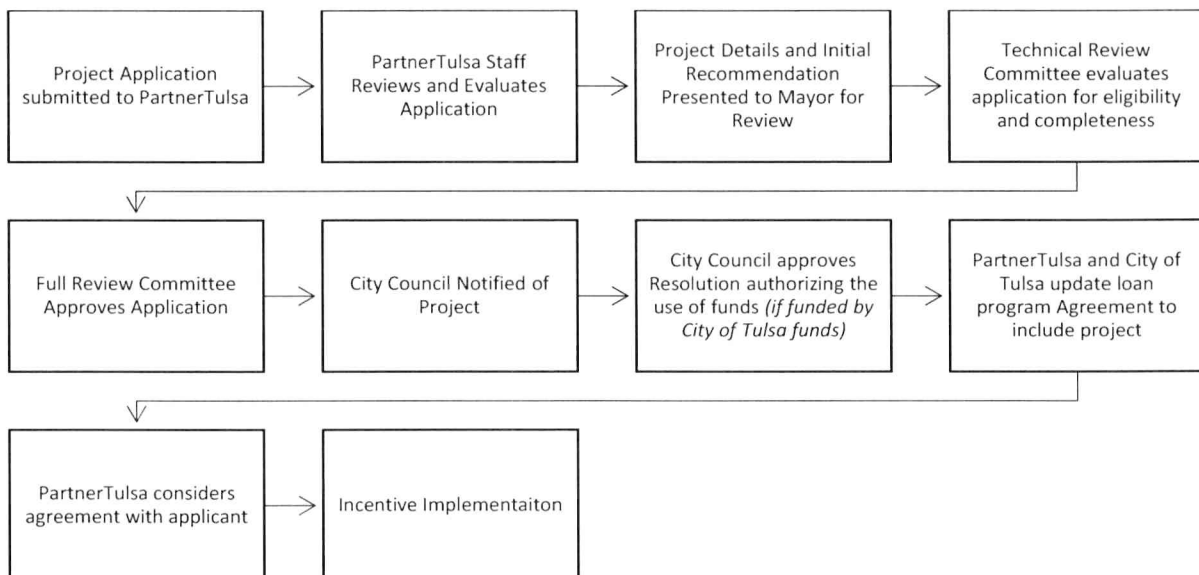
## Definition of Affordability

For the purposes of the AHTF, the following typologies will be used to determine the affordability of units in any given project. Funds will not be limited to projects that only include one of the following typologies. The appropriateness of the AHTF for any given project will depend on a number of factors, particularly those outlined in the Criteria for Award and Use of Funds section of this policy.

Extremely Low Income	<30% AMI
Very Low Income	30% AMI to 50% AMI
Low Income	50% AMI to 80% AMI
Moderate Income	80% AMI to 120% AMI
High Income	120% AMI and higher

## Detailed Approval and Implementation Process

Applications for AHTF development projects follow the following approval and implementation process:



# **Retail Business Incentive**

## **Statement of Purpose**

The purpose of this Retail Business Incentive is to provide incentives for private development projects in the retail sector that support the redevelopment and revitalization of underserved areas and struggling retail centers and the establishment of new retail centers. This policy should only be utilized for projects that generate new sales tax within the City of Tulsa, are located within the City of Tulsa, and can be reasonably described as classified according to one of the Standard Industrial Codes (SIC) described in the Eligible Retail Projects section below.

## **Sources of Funding**

The Retail Incentive is funded through the City of Tulsa general fund. The total annual amount available for all projects (existing and new) is capped at 1 percent of budgeted general fund revenue in each City fiscal year (July 1 to June 30). The annual amount of reimbursements is subject to the City of Tulsa's appropriation of sufficient funds in each fiscal year budget.

## **Criteria for Award and Use of Funds**

The City of Tulsa recognizes that vibrant and livable communities are one of the greatest contributors to a healthy economy. Tulsa, like all cities in Oklahoma, is reliant on sales tax revenues to support the City's general fund. In order to provide the levels of programs and services necessary to remain a vibrant and livable community, the sales tax base must continue to grow. The goal of this policy is to ensure Tulsa continues to be a great place to live, and that it remains a regional retail center. This policy is intended to support commercial retail businesses and developments that:

- A. Increase City of Tulsa sales tax revenue through direct sales, purchases by employees and purchases from City of Tulsa vendors;
- B. Increase ad valorem revenue to the City and other taxing entities within the City limits;
- C. Enhance property values within the City;
- D. Contribute to the economic and social well-being of the citizens and residents of the City, Tulsa County and the State of Oklahoma;
- E. Diversify the local economy, provide economic stimulus for additional employment and other development, provide training and employment opportunities, and employ Tulsa residents;
- F. Contribute to an expansion of economic development opportunities in the City of Tulsa through participation in public private partnerships. If applicable, a public private partnership may include:
  - a. Providing enhancements to public infrastructure.
  - b. Encouraging private investments into facilities that increase the efficiencies of public transportation systems.
  - c. Increasing efficiencies of public access and convenience to engage in private commercial activities.
  - d. Promoting the health, safety, economic security, prosperity, and general welfare of the

- citizens of the City of Tulsa; and
- e. Promoting redevelopment of underutilized retail and commercial spaces.

## Retail Project Typologies

The Retail Incentive is intended to incentivize the construction, redevelopment, and operation of new retail businesses and commercial developments within the City of Tulsa. Projects interested in utilizing the Retail Incentive Policy should qualify as one of the following categories of projects;

- A. **Stand-alone Retail Project:** Projects in this category should provide a retail use to an underserved area which offers an essential product, subject to sales tax, that if located within the underserved area, struggling retail corridor, USDA designated food desert or redevelopment area would improve the quality of life for residents and businesses within the area.
- B. **Destination Retail Project:** A Destination Retail Project is a development that contains a retailer or group of retailers who will offer a product or good (subject to sales tax) that is unique to the market. A destination retailer is expected to attract new sales tax dollars or retain sales tax dollars within Tulsa City limits.
- C. **Regional Retail Project:** A Regional Retail Project is a development that (1) contains at least 250,000 square feet of net usable retail space, (2) attracts 50% of its customer sales from outside of a 25-mile radius of the center of the City of Tulsa (see Attachment A for 25-mile radius map), and (3) whose nearest regional retail development competitor is located outside of a 100 mile radius from the center of the City of Tulsa (see Attachment B for 100-mile radius map).

If a project cannot be reasonably classified as one of the project types identified in this Section, the Retail Incentive cannot be used to assist in its development.

## Sales Tax Reimbursement

Any Retail Incentive awarded to the project will be based upon the eligible costs associated with the development / redevelopment of the site ("Eligible Project Costs"), which are described in detail in below. The Retail Incentive awarded to the applicant will be determined by the City of Tulsa using estimated sales data provided by the applicant and confirmed by PartnerTulsa Staff. The estimated annual sales will be used to determine the undedicated City sales tax (2%) generated from the project.

## Construction Sales Tax Reimbursement

A project may be eligible for an additional reimbursement of sales taxes paid collected on construction materials used in constructing the project if the project will expand food access within a USDA designated food desert. If applicable, the City of Tulsa will estimate the amount of undedicated sales tax (2%) to be collected on construction materials and determine maximum amount eligible for reimbursement. Retail Incentive awards funded through construction sales tax are subject to the limitations outlined herein.

## Eligible Project Costs

The following costs are eligible for reimbursement through the Retail Incentive:

- A. **Capital Costs:** including the actual costs of the acquisition and construction of public works, public improvements, new public or private buildings, structures, and fixtures; the actual costs of the

acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing private buildings, structures, and fixtures; and the actual costs of the acquisition of land and equipment for public works, and public improvements and public buildings.

- B. **Financing Costs:** including any interest paid to holders of evidence of indebtedness on other obligations issued to pay for construction of the project and premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity.
- C. **Real Property Assembly Cost:** including clearance and preparation costs.
- D. **Professional Services Costs:** including those incurred for architectural, planning, engineering, legal and financial advice and services.
- E. **Public Improvements Costs:** including the costs of construction of public works or improvements, including but not limited to highways, roads, streets, bridges, sewers, traffic control systems and devices, telecommunications systems, parks, water distribution and supply systems, curbing, sidewalks and any similar public improvements, common utility or service facilities, landscaping, parking, and water detention/retention systems.

## Performance Goals

Any company receiving monetary incentives from the City for retail development will be required to enter into a development agreement with the City. Each development agreement will vary based on the specific retail project, but all such agreements shall set specific performance goals (e.g. gross retail sales, employment requirements, etc.) and the consequences to the company of not meeting such goals.

## Limitations on Incentives

The calculation of the Sales Tax reimbursement is subject to the following limitations:

- A. \$5,000,000 maximum reimbursement per retail project;
- B. Annual amount available for sales tax reimbursement for the total of ALL projects is capped at 1 percent of budgeted general fund revenue in the City fiscal year (July 1 to June 30);
- C. Maximum term of incentive payment is 15 years;
- D. Annual amount of reimbursement is subject to the City of Tulsa's annual appropriation of sufficient funds in the City's fiscal year (July 1 to June 30) budget; and
- E. The annual reimbursement is capped at the amount of City of Tulsa general fund revenues generated from that location for the year.

## Monitoring and Evaluating Compliance

A company entering into a development agreement with the City must submit quarterly reports (first Fridays of July, Oct., Jan., and Apr.) to PartnerTulsa and the City of Tulsa Finance Department for internal distribution. These reports must demonstrate the progress the company has made toward the performance goals outlined in the development agreement. City staff will use these quarterly reports to conduct an annual compliance evaluation. Companies may be required to report sales taxes generated at the development using forms prescribed by the City. The report and supporting documentation must be verifiable, auditable, and submitted

timely.

## **Eligible Retail Projects**

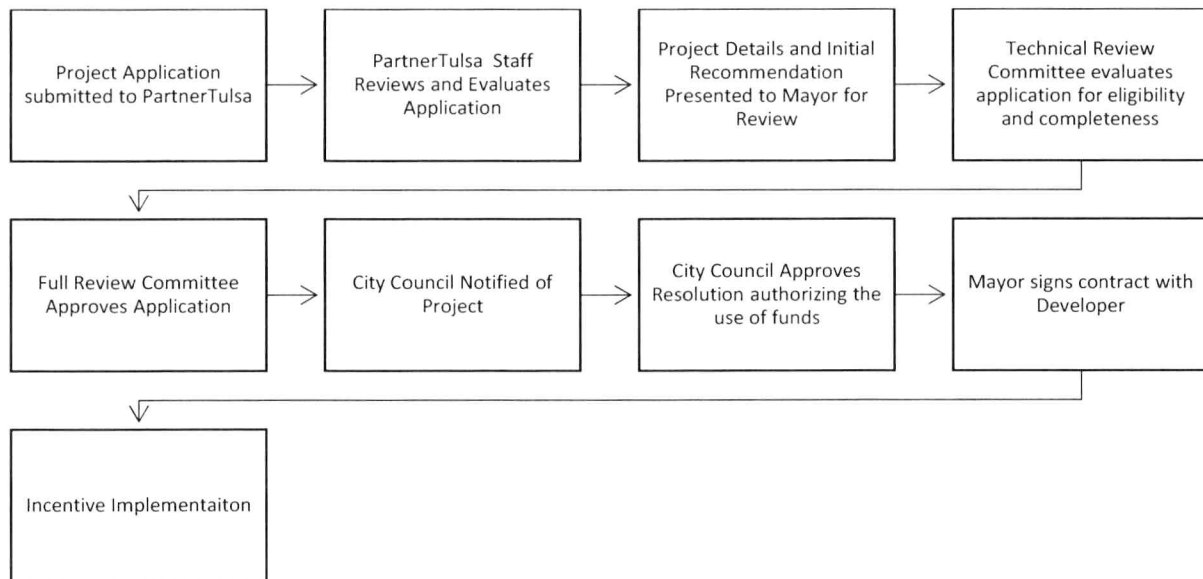
Companies and businesses eligible for the Retail Incentive from the City of Tulsa must be classified according to one of the following SIC codes:

4 Digit SIC Code	Description
5211	Lumber and other Building Materials Dealers
5231	Paint, Glass, and Wallpaper Stores
5251	Hardware Stores
5261	Retail Nurseries, Lawn and Garden Supply Stores
5311	Department Stores
5331	Variety Stores
5399	Miscellaneous General Merchandise Stores
5411	Grocery Stores
5421	Meat and Fish (Seafood) Markets, including Freezer Provisioners
5431	Fruit and Vegetable Markets
5441	Candy, Nut, and Confectionary Stores
5451	Dairy Products Stores
5461	Retail Bakeries
5499	Miscellaneous Food Stores
5611	Men's and Boy's Clothing and Accessory Stores
5621	Women's Clothing Stores
5632	Women's Accessory and Specialty Stores
5641	Children's and Infants' Wear Stores
5651	Family Clothing Stores
5661	Shoe Stores
5699	Miscellaneous Apparel and Accessory Stores
5712	Furniture Stores
5713	Floor Covering Stores
5714	Drapery, Curtain, and Upholstery Stores

5719	Miscellaneous Home Furnishings Stores
5722	Household Appliance Stores
5731	Radio, Television, and Consumer Electronics Stores
5734	Computer and Computer Software Stores
5735	Record and Prerecorded Tape Stores
5736	Musical Instrument Stores
5812	Eating Places
5813	Drinking Places (Alcoholic Beverages)
5912	Drug Stores and Proprietary Stores
5941	Sporting Goods Stores and Bicycle Shops
5942	Book Stores
5943	Stationery Stores
5944	Jewelry Stores
5945	Hobby, Toy, and Game Shops
5948	Camera and Photographic Supply Stores
5949	Gift, Novelty, and Souvenir Shops
5961	Luggage and Leather Goods Stores
5962	Sewing, Needlework, and Piece Goods Stores
5984	Direct Selling Establishments
5992	Florists
5994	News Dealers and Newsstands
5995	Optical Goods Stores
5999	Miscellaneous Retail Stores Not Elsewhere Classified

## Detailed Approval and Implementation Process

Applications for the Retail Incentive program shall follow the following approval and implementation process.



# **Retail Revitalization Revolving Loan Fund**

## **Statement of Purpose**

It is the intention that these funds be utilized to promote the development and redevelopment of commercial properties along the City of Tulsa's Bus Rapid Transit (BRT) routes and in Retail Revitalization Corridors identified in the Retail Market Study and Strategy, City of Tulsa, 2018. The development of high-quality transit-oriented projects and the proliferation of new businesses is key to ensuring the success of the BRT System and other commercial corridors. Additionally, investment in commercial properties and the creation of successful and thriving retail businesses in Retail Revitalization Corridors is key to ensure their continued success in the future. Commercial development and new businesses along the BRT routes will encourage ridership, expand the City of Tulsa's tax base, and create vibrant commercial centers accessible to all Tulsans.

## **Sources of Funding**

The voter-approved Vision Tulsa Citywide & Route 66 Beautification and Reinvestment fund totaled \$11,000,000, of which \$3,450,000 was dedicated to Commercial Revitalization. This program utilizes \$1,500,000 of the Commercial Revitalization funds and may also include additional funds as they are recovered through previous revolving loan funds.

## **Administration of Funds**

Funds will be made available as low-interest, short-term loans awarded by the City and administered/monitored in accordance an agreement between the City of Tulsa and the Tulsa Economic Development Corporation (TEDC).

## **Criteria for Award and Use of funds**

The criteria/objectives to be under consideration for this fund include, but are not limited to:

- A. It is the objective of this fund to provide assistance by filling a financial gap with public funds in those unique instances when this is the most appropriate program or resource for commercial businesses;
- B. This fund is designed to assist in the development and redevelopment of property located along BRT Routes and Retail Revitalization Corridors in the City of Tulsa;
- C. It is not the intent of this policy to fund land acquisition; and
- D. When applicable, cost sharing and claw-back provisions will be negotiated.

## **Eligible Geography**

- A. Bus Rapid Transit System:

Projects should be located on parcels immediately adjacent to current or announced BRT routes within the City of Tulsa. A detailed map of current BRT routes can be found in Attachment C and a map of

announced BRT routes can be found in Attachment D.

**B. Retail Revitalization Corridors:**

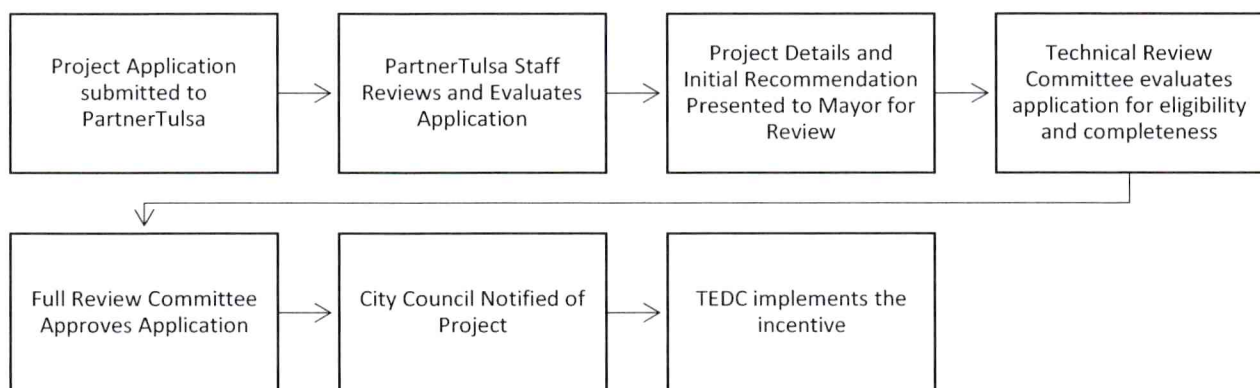
Projects should be located within the boundaries of the Study Areas identified in the 2018 Retail Market Study and Strategy, City of Tulsa. These areas include:

- Pine and Peoria
- Pine and Sheridan
- 21<sup>st</sup> Street Corridor
- Downtown
- Route 66 East
- Tulsa Promenade
- 51<sup>st</sup> and Union
- 71<sup>st</sup> and Peoria
- 51<sup>st</sup> and Memorial
- 71<sup>st</sup> Street Corridor
- Global District
- River West / Eugene Field
- 36<sup>th</sup> Street North

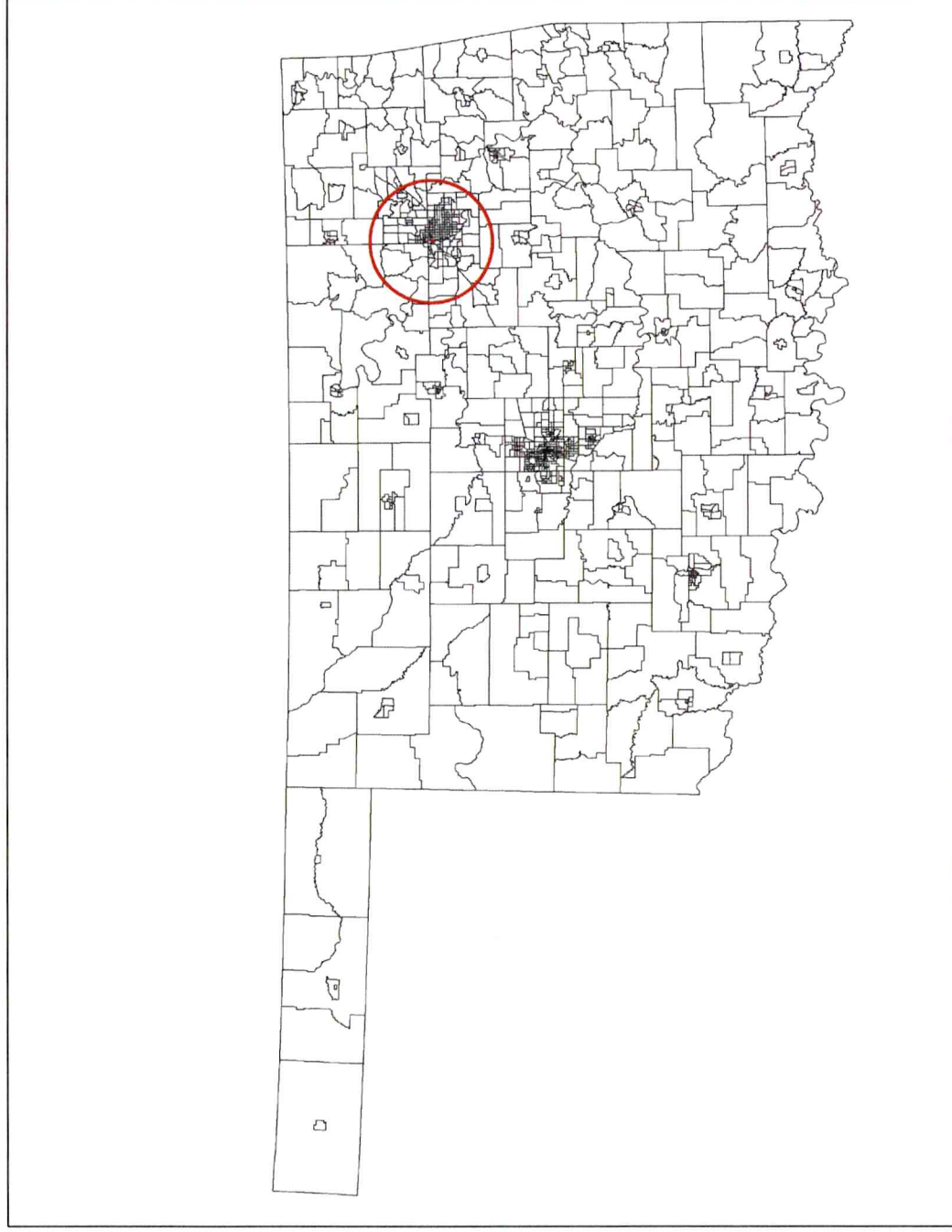
The Retail Market Study and Strategy can be found on [the City of Tulsa's website](#).

## Detailed Approval and Implementation Process

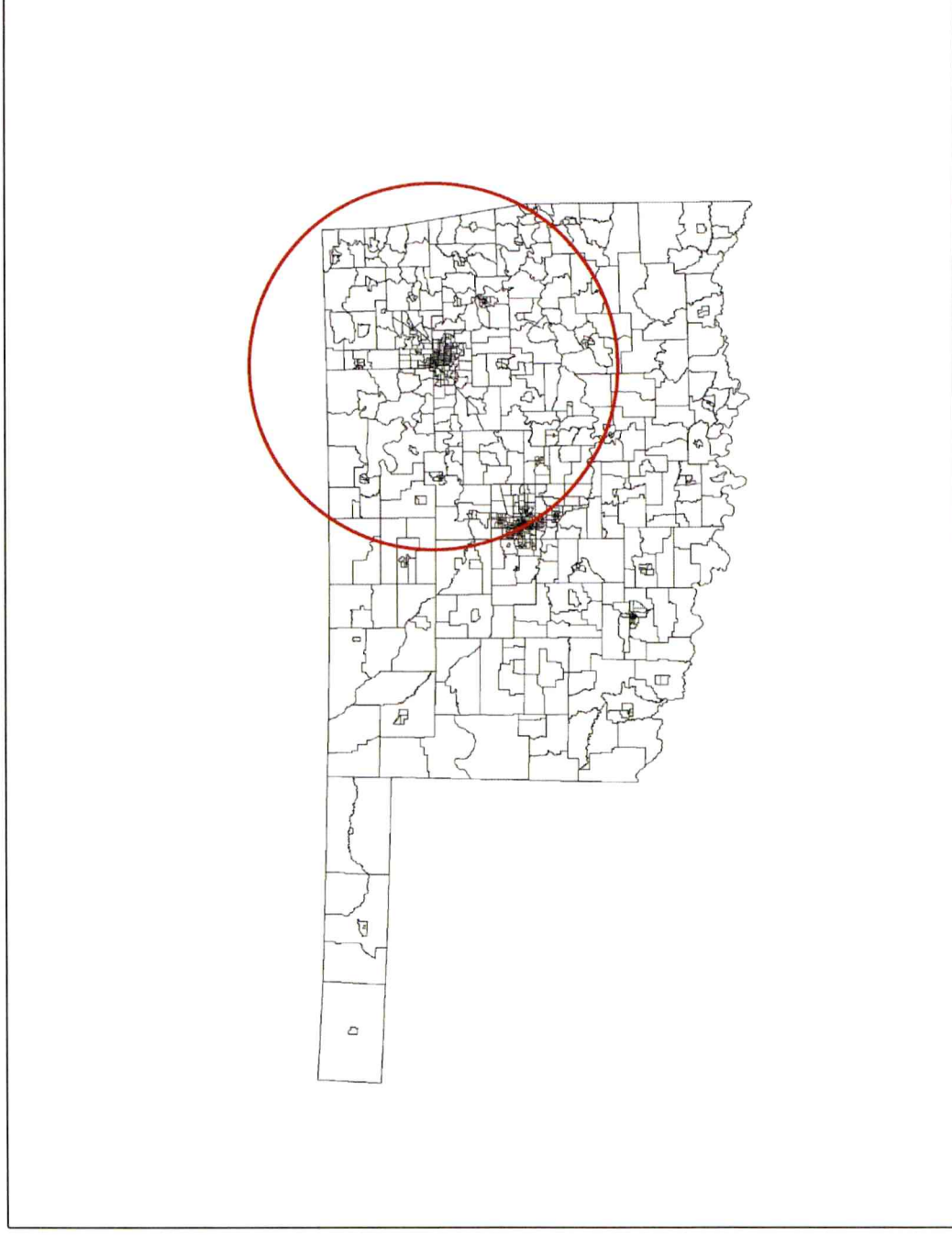
Applications for the Retail Revitalization Revolving Loan Fund shall follow the following approval and implementation process.



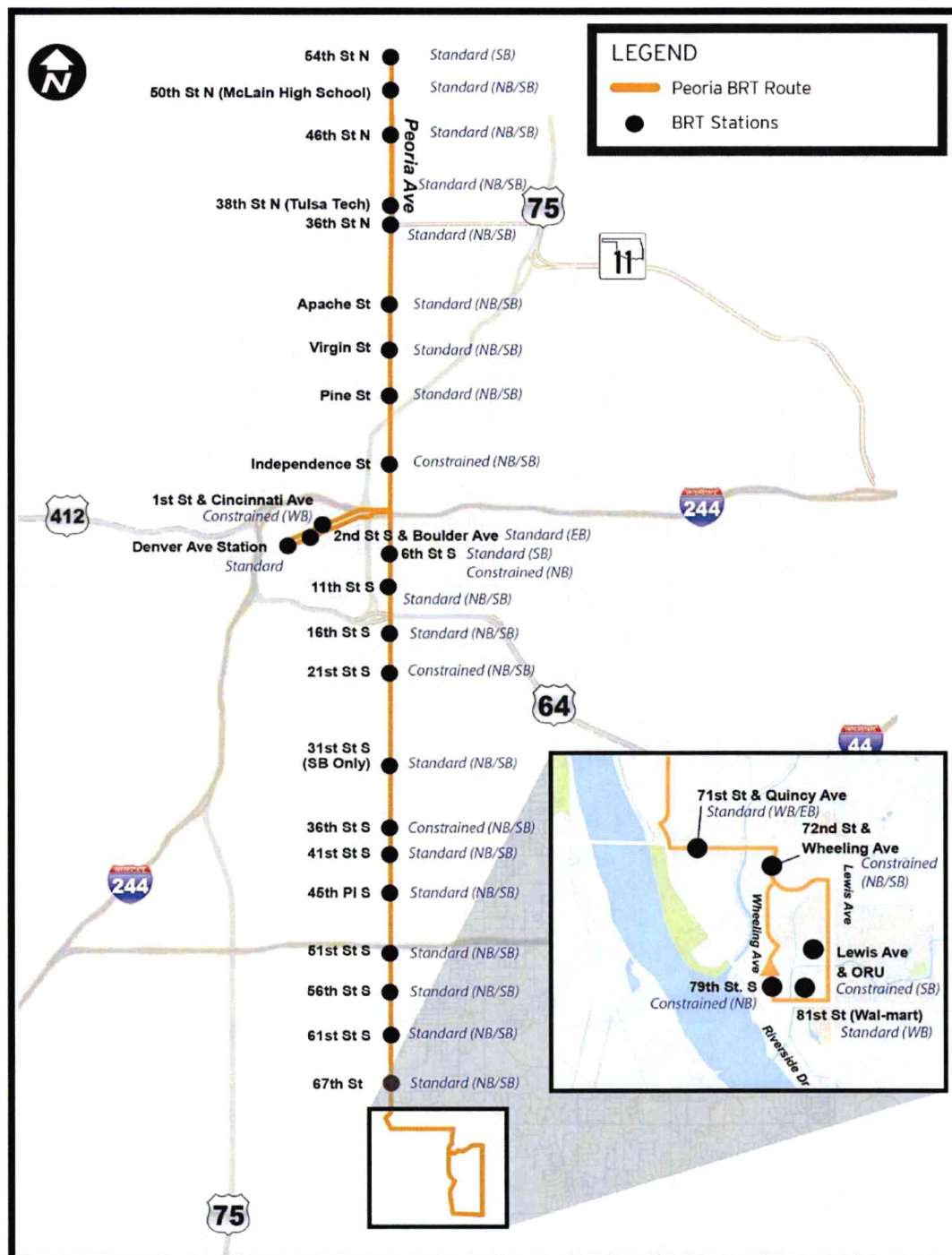
**Attachment A – Retail Incentive Policy – 25 Mile Radius**



## Attachment B – Retail Incentive Policy – 100 Mile Radius



## Attachment C – Retail Revitalization Revolving Loan Fund –BRT Routes



## Attachment D – Retail Revitalization Revolving Loan Fund – Future BRT Routes



## **Attachment E – PartnerTulsa Standards for Financial Underwriting for Downtown Development and Redevelopment Fund and Affordable Housing Trust Fund Incentives**

All incentives are provided as a gap financing mechanism. Applicants must demonstrate that they have 1.) utilized maximum debt capacity based on reasonable market standards and ratios, 2.) contributed a sufficient equity investment in the project, 3.) will receive a market-based return on the project, and 4.) pursued other appropriate capital sources for the project as applicable.

### **1. Assumptions**

#### **a. Project Costs are Reasonable**

All project costs will be carefully reviewed for reasonableness. A breakdown of all project costs are required as part of PartnerTulsa's incentive application. Fair market price quotations, engineer's estimates, and/or appraisals must be submitted to support all project cost elements. Third party price quotations or a comparison of prices under existing contracts or services from previous projects are required to verify all costs.

A "sources and uses of funds" form will be reviewed for each cost element. A determination will be made by PartnerTulsa in its sole discretion on the reasonableness of the costs for construction, machinery, and equipment. Costs will be reviewed based on estimates from third-party contractors (architect, engineer, equipment supplier, installer, etc.) for land/building acquisition. Determination will be made by PartnerTulsa in its sole discretion on the reasonableness of the costs of real estate and based upon fair market value by a certified real estate appraisal. For development costs (such as building fees, architectural / engineering fees, developer fees, or financing fees), a determination will be made by PartnerTulsa in its sole discretion if the costs are itemized and supported by contracts and other documentation.

#### **b. All Sources of Financing are Committed**

A review will be conducted by PartnerTulsa staff to determine, at PartnerTulsa's sole discretion, if sufficient sources of funds have been identified and committed to the project. The parties must have the demonstrated financial capacity to provide the funds in a timely manner. The terms and conditions of all sources of funding must be disclosed in the application for incentives.

For debt sources, letters of intent or interest must be provided. If an incentive is approved, documentation of a firm commitment of debt sources must be submitted during the closing process. A determination will be made by PartnerTulsa in its sole discretion if the proposed debt is viable.

For equity sources, a determination will be made by PartnerTulsa staff at its sole discretion if the equity can be verified by business or personal bank financial statements. If the equity is to be provided by an outside investor, evidence must be obtained on the level of commitment, the terms and conditions if any, and availability of funds (with an accompanying financial statement from the investor

verifying the availability of funds).

### **c. Incentive Request and Schedule is Reasonable**

The disbursement of incentive funds will be negotiated with the Applicant and other funding sources. Incentive funds should be disbursed in a manner that does not put the funds at undue risk relative to other sources of funds. Incentive funds should be expended at the same rate as other funding sources. A review of other source's policies on the order of expenditure of funds will be made.

### **d. The Project is Feasible**

PartnerTulsa Staff will evaluate the project to determine its viability and ensure that the intended public benefit will be realized. Current and historic financial statements of both business and principals will be analyzed by staff. Income and expenses shall be evaluated and compared to historic and industry averages. Project costs will be reviewed to determine their reasonableness, as determined by PartnerTulsa staff in their sole discretion.

In order to accurately evaluate a project, the development pro forma, and analysis and assumptions used to create the pro forma, applications must include additional documentation, including but not limited to:

- Market Studies
- Real Estate Appraisals
- Feasibility Analysis

Reports must not be more than six months old and prepared by an independent third-party source which has the qualifications to perform the study. For projects that do not generate revenue, engineering and other types of studies are necessary to evaluate a project.

### **e. Public Benefit Shall be Determined**

Each project will be analyzed to ensure that an incentive will serve a public purpose and provide a public benefit. The primary purpose of the incentive should be to accomplish the public purpose, not to benefit the private parties, retain public control over the funds to ensure that the public purpose is accomplished and to safeguard the public's investment, and ensure that the residents of the City of Tulsa receive a benefit in return.

### **f. The Development Team Has the Capacity to Complete the Project**

A written description of the project team will be evaluated by PartnerTulsa Staff during the application review process. The description will detail the roles and responsibilities of each team member and

include project experience of similar projects of type and scope.

## **2. Financial Gap**

### **a. Unavailability of Capital**

The project can afford the cost of financing but is unable to obtain the funds from private debt and/or equity sources. The gap may be the result of a lender's loan to value requirements, or the inherent risk associated with the project or industry. The business may not have the cash on hand to cover the gap in financing, or its cash flow would be restricted by doing so, which would jeopardize the business or development. The project sponsor should demonstrate that it has applied for funding from other sources and been rejected, or that financing is not available. PartnerTulsa Staff will review evidence and make a determination in their sole discretion.

### **b. Cost of Capital**

The project cannot support the costs of financing that is available to them, including the interest rate, loan term, and/or collateral requirements of other lenders. The gap may only be a problem in the initial years of the project. A pro forma and cash flow statement must be reviewed with a sensitivity analysis to determine whether to defer principal and/or interest, or to allow the loan to be amortized over a longer period.

### **c. Return on Equity Investment**

The project's financial returns may be too low to justify the business or a third-party investor to proceed with the project. The risks of the project outweigh the returns. The rate of return on investment must be reviewed and adjusted to industry standards, as well as location risks, to determine if the gap exists. The incentive financing rate and term can be designed to provide a return that is in line with similar projects. This may not apply to non-profit organizations.



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