

EXECUTIVE SUMMARY

**IMPACT ANALYSIS OF OKLAHOMA CITY'S MAPS
AND OTHER
SIGNIFICANT CENTRAL CITY INVESTMENTS**

**prepared for
Greater Oklahoma City Chamber of Commerce**

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CHAPTER 1: INTRODUCTION

The first version of this report, *The Impact of MAPS and Other Significant Central City Investments*, was prepared in 2003. Its purpose was to review the impact of MAPS (Metropolitan Area Projects) and other major capital investments on the core area of central Oklahoma City and to examine the area's basic economic and demographic structure. The report was revised and updated in 2005. Another revision has been prepared during 2008-2009. This 2008 version builds upon the original 2003 report and 2005 revision. The executive summary highlights the key findings of this research.

In 1993 voters approved a municipal sales tax to be used to finance a set of major capital improvements, largely in the downtown area. The overall cost was in the range of \$360 million. Projects included a minor league ballpark, trolley bus service, a canal, extensive improvement to the Cox Convention Center, construction of Civic Center Music Hall, construction of the Ford Center, construction of the Ronald J. Norick Library, and improvements to the North Canadian River (now Oklahoma River). All central city projects were operating by the close of 2004 with the Oklahoma River to follow in 2005.

A remarkable flow of other public and private investments has improved the economy and attractiveness of Oklahoma City's central core – Table 1 summarizes these capital investments completed or in progress.

Table 1 – Downtown Oklahoma City Significant Investments, 1995-2014 [a]

	(\$ millions)			Total number of projects, 1995-2014
	Completed or in progress, 1995-2008	Projects announced, 2009-2014	Total investment, 1995-2014	
Public projects including MAPS	961	261	1,223	28
Hotels	190	23	213	9
Retail and entertainment	61		61	15
Office and parking	216	769	985	16
Housing and mixed use	238	120	357	31
Cultural and institutional	65	2	67	7
Medical and research	1,288	660	1,948	79
River projects	123	101	224	8
Total, downtown investment	3,142	1,936	5,078	193
Adjacent to downtown	258		258	6
Total, central city	3,400	1,936	5,336	199
[a]Projects greater than \$500,000. Not a comprehensive report of all construction or renovation projects; generally does not include tenant improvements or minor renovations.				
Source: Greater Oklahoma City Chamber of Commerce. See Appendix 4-A for listing of specific projects by major project category.				

These projects (including the MAPS projects) total about \$3.1 billion since the original MAPS vote in 1995. An additional \$1.9 billion has been announced, but is not included in the \$3.1 billion figure. The 2003 estimates indicated \$942 million in actual capital investment, with another \$1.1 billion planned. For 2005, the estimates of actual and planned investments had risen to \$1.2 billion and \$ 1.3 billion respectively. (The 2003 and 2005 estimates are understated in comparison to the 2008 figure because they did not include investment in the Oklahoma River.) Thus there is evidence of substantial growth in capital investment within Oklahoma City's central core.

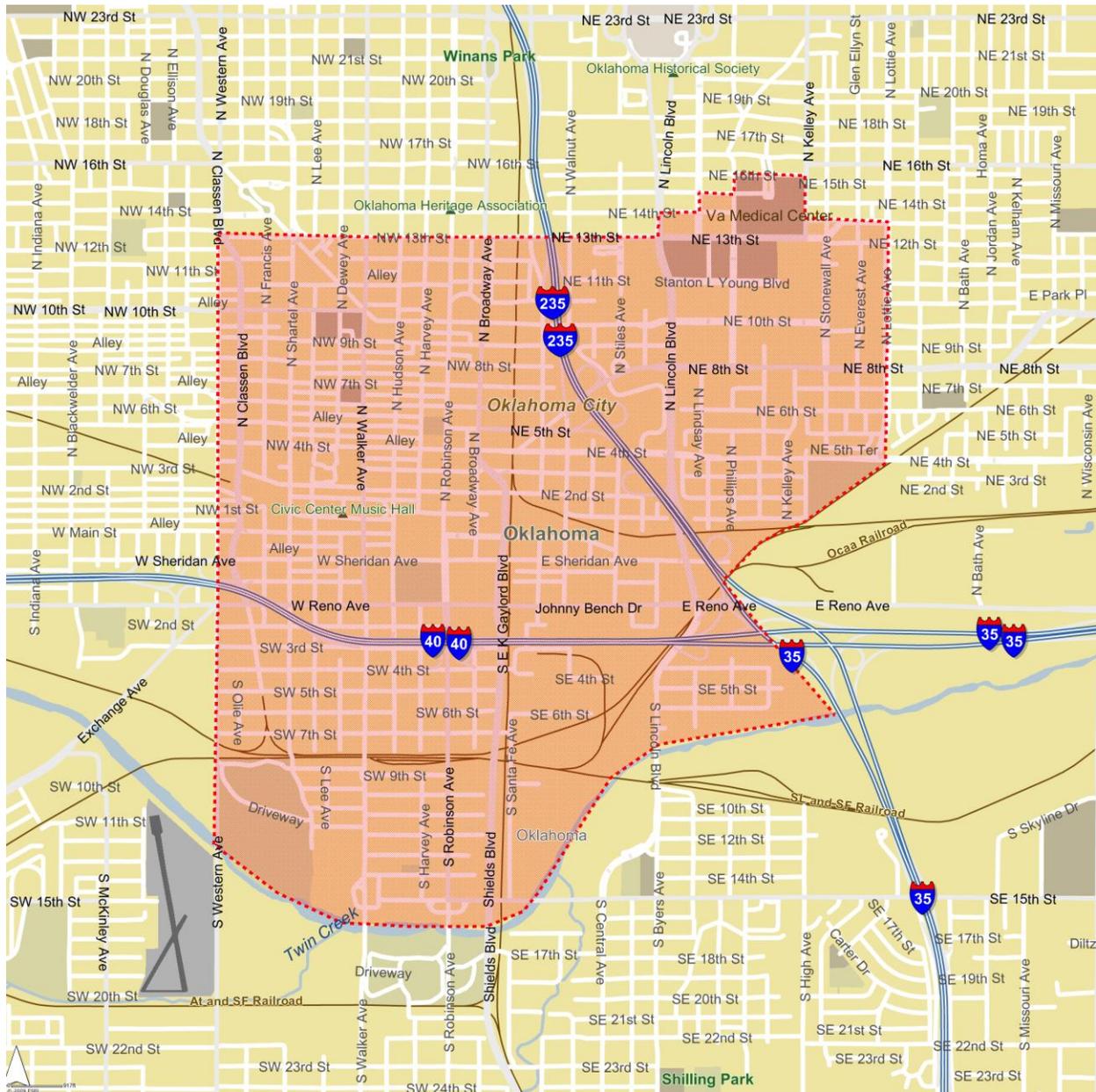
The Study Area

The original target area used for the 2003 report and a 2005 revision was essentially bounded by Classen Boulevard on the west, 23rd Street on the north, the Centennial Expressway (I-235) and the Oklahoma Health Center on the east, and I-40 on the south. This area, or areas very similar, has been the focal point of central city planning efforts for many years. For example, as early as 1963, the Oklahoma City Urban Renewal Authority was creating plans for both the downtown area and what is now the Oklahoma Health Center. The 2008 revision adds an area extending south from I-40 to the Oklahoma River bounded by Lincoln Boulevard on the east and Shartel on the west. See Figure 1-1. This reflects the impact of the MAPS improvements to the Oklahoma River, opening up a new area for development in the core of Oklahoma City, as reflected in the emerging "Core to Shore" initiative.

Study Strategy

The study analyzes the characteristics of the resident population of the study area (Chapter 2) and the types of economic activity occurring in the study area (Chapter 3). Chapters 4 and 5 turn to detailed discussions of MAPS and other major investments. These two chapters emphasize the investment projects' outputs, i.e., what the investments accomplish, and the projects' linkages to other activities within the study area. The final chapter emphasizes economic interrelationships within the study area, along with a limited number of recommendations.

Figure 1, Downtown Study Area



The Four Economies

The search for understanding the fundamentals of economic linkages within the study area leads naturally to attempts to simplify and sort things out. In considering the findings of Chapters 2-5 it is helpful to think of the study area as consisting of four quasi-separate economies:

- **The Traditional Economy** consists of the set of economic activities which have been part of the downtown scene virtually since the beginnings in the 1890s. This includes city-county-federal government activities ranging from courts to the county jail, together

with an extensive infrastructure of law offices. It also includes old main-line activities such as oil and gas companies, utilities, and financial institutions. The Traditional Economy is also linked to two specific residential neighborhoods in the northern part of the study area. The high income, highly educated residents of these neighborhoods have professional and executive jobs consistent with downtown occupational patterns. Those residents also have jobs in the Health and Bioscience Economy.

- **The Health and Bioscience Economy** includes the large set of health related organizations at the Oklahoma Health Center (OHC) on the eastern side of the study area, together with a smaller but significant cluster of health activities including and around St. Anthony Hospital just north of the downtown area. Given the advanced technology of today's health care, and especially as related to the OHC's Presbyterian Health Foundation Research Park, this could also be called the "New Economy" segment of the study area.
- **The Culture/Recreation/Travel Economy** includes the major MAPS investments attracting people to the downtown area and to the Oklahoma River for various entertainment events, recreation activities, and museums—and for business travel. For the most part, this economy also includes hotels, and the eating and drinking establishments of the city's old warehouse/industry district (Bricktown).
- **The Low SES Economy**—The term SES refers to "socioeconomic status." Except for its northernmost neighborhoods and upscale apartments and condominiums in the downtown and Bricktown areas further south, the residents of the study area generally have relatively low incomes, low levels of educational attainment, and live in low-value housing units. Particularly in the southwestern part of the study area, there is a concentration of homeless individuals at virtually the lowest level of SES.

CHAPTER 2: RESIDENTS OF THE STUDY AREA

The demographic structure of the study area is an important determinant of the attractiveness of the study area for new residents and, in some cases, for the location and continued presence of businesses. Data from the decennial censuses of population (1990 & 2000) provide a picture of the residents of the study area. The characteristics and extent of the area's residents have had significant economic development implications.

There is a great variety of characteristics between the tracts looked at in the study. The tracts take on various configurations, but appear to usually include around 20 – 30 city blocks. The population of the tracts grew from 8,849 in 1990 to 9,574 in 2000 and an estimated 11,123 in 2008. During the 1990s, the study area's population growth accounted for 1.2 percent of

countrywide growth; the share of growth between 2000 and 2008 grew to 2.8 percent. The population growth between 1990 and 2000 includes those living in group quarters, such as a nursing home, jail or homeless shelter. Between 2000 and 2008, a significant share of the study area's population growth of 1,549 was in regular housing units. The impact of major new apartment and condominium complexes was an important feature in the area's demographic change after 2000.

Racial Characteristics

One-third of the area's population was black in 2008, compared to 15.0 percent black for the entire county. The white alone share (49.0 percent) was well below the county-wide figure of 66.8 percent. Shares for other racial classifications were not very different in the study area and the entire country. The study area's Hispanics accounted for 8.6 percent of the total 2008 population up from 5.1 percent in 2000. About three-quarters of the 2008 population of the northern three tracts was white, with only 11.3 percent classified as black.

Education

For the northern three tracts, 57.1 percent of the adult population had attained a bachelor's degree or higher in 2008. For the remaining 11 tracts, 12.2 percent had attained a bachelor's degree or above.

Housing

There was a substantial turnaround in the housing environment after 2000, with the increase of 982 total units – reflecting 970 more occupied units, the bulk of which were rental units. Sample data from the 2000 census indicate that only about one-third of the study area's housing units were single-unit detached structures; the balance of the housing stock was in some form of multi-unit structure. One-quarter of the housing units were in structures which contained 20 units or more. Home ownership will expand as a result of the construction of several major new investment projects reviewed in Chapter 5.

Employment Patterns

For the northern three census tracts, 55.8 percent of the total population was employed; the unemployment rate in the northern three tracts was 5.2% - well below the average for the rest of the study area. Given the relatively high level of educational attainment of the residents of the northern three tracts in the study area, it is not surprising that the area was heavily weighted with employees in managerial and professional occupations. Nearly one-third of those employed and living in the eleven other tracts were in service occupations.

Income

The contrasting patterns already observed for educational attainment, housing quality, and occupational mix are also reflected in patterns of income. Household income is a basic measure of economic well-being. Median household incomes for the northern three tracts in 2008 were well above those of the remaining eleven tracts.

Well being

The study area is one of the focal points for Oklahoma City's homeless population, and the area has a relatively high incidence of crime. It was estimated that the city has a homeless population of around 4,000. A "point-in-time" count of the homeless taken on the night of January 25, 2007 identified 1,930 homeless. Partially because of the proximity of emergency shelters, some of that group tends to be concentrated in the southwestern part of the study area.

Within the context of the four-economy framework introduced above, it appears that the residents of the study area fall into two distinct groups. Those living in the northern three census tracts with high incomes and high levels of educational attainment are linked to Traditional Economy jobs downtown and Health and Bioscience Economy jobs around the St. Anthony and Oklahoma Health Center complexes. This is also the case with some residents of relatively upscale apartments and condominiums in the Bricktown and downtown areas.

The second group of residents is part of the Low Socioeconomic Status (SES) Economy. For much of the study area (except for the northern three high income tracts and for the downtown tract with the two upscale apartment complexes) more than half (53.0 percent) of the resident families were reported below the poverty level in 1999.

The most striking feature of current and expected future developments with respect to the study area's population involves the in-migration of higher income residents due to the construction of upscale apartments and condominiums. While the study area's population growth during the 1990s was concentrated in its group quarters population (jail), the growth since 2000 has included a large portion of non-group quarter residents.

CHAPTER 3: ECONOMIC STRUCTURE OF THE STUDY AREA

The economic structure of the study area is most readily identified in terms of the industry mix of establishments in place and the amount of employment generated by those establishments. The specific categories of industry are important because of differential implications for worker productivity and earnings. It is also important to ask how the current economic structure of the study area fits—or does not fit—with the kinds of future economic growth impulses generally anticipated in downtown areas of American cities such as Oklahoma City. And more specifically, how does this structure interact with MAPS and other recent major investments within the study area?

ZIP Code Areas

The study area includes virtually all of three ZIP codes (73102, 73103, and 73104). A fourth ZIP code (73106) includes some of the westernmost part of the study area but also extends about one mile further west. These are: Downtown Central Business District (73102), Uptown (73103), Oklahoma Health Center/Bricktown (73104), and Near Northwest (73106).

Economic Variety

The Downtown CBD contains the greatest concentration of separate business enterprises found anywhere in the entire metropolitan area. It is also the site of the offices of both city and county governments and the 14-floor county jail holding around 2,600 prisoners along with a significant presence of federal offices. A major hospital complex, St. Anthony, is in the northwest corner of ZIP 73102.

The southern part of the Uptown ZIP area includes many smaller office structures along with some empty lots and small, deteriorating commercial buildings. The area also includes a variety of small retail and service enterprises along NW 23rd Street and North Broadway between 10th and 23rd Streets. At the southwestern edge of this ZIP is the Bone & Joint Hospital.

Much of the economic activity within ZIP 73104 involves the specialized health services and health-related R&D of 26 organizations associated with the 300 acre Oklahoma Health Center complex. Also included are the recreation and tourism activities in Bricktown.

The sliver of the study area included in the eastern edge of the Northwest ZIP includes a variety of small enterprises along north-south streets Shartel Avenue, Classen Boulevard, and part of North Western Avenue. Extensive offices of the American Fidelity Assurance Company are in the 2000 block of Classen. In the 2200 block of Classen, a 21-story office building has been transformed into 80 upscale apartments.

Basic Economic Structure

In 2006, the three ZIP codes lying essentially within the study area (73102, 73103, 73104) accounted for 6.45 percent of all establishments in the county, 9.71 percent of employment, and 13.32 percent of payroll.

There were 34,753 employees reported for 2006 by establishments in *County Business Patterns* for the three main study area ZIP codes. This is roughly ten times the estimated employment of those *residing* in the study area (3,318) in 2008. Even allowing for the possibility of some establishments reporting employees not working at jobs located within the study area, this indicates a massive amount of commuting from elsewhere.

For the three basic ZIP codes plus 73106, the 2006 employment total was 42,644. Using an alternative methodology, the Association of Central Oklahoma Governments estimated that the 2000 employment total for 73102, 03, 04 and 06 was 42,065.

A rough idea of the relative productivity of economic activities in the ZIP code areas and the county can be obtained by dividing annual payroll by number of employees. For the three main ZIP codes combined, the resulting 2006 figure was \$47,483—36 percent greater than the countywide average of \$34,888. This is evidence of the higher labor productivity of the study area economy.

The three main ZIP codes in the study area exhibited declining shares of countywide establishments, employment, and payroll between 1995 and 2001. This pattern of relative decline was reversed between 2001 and 2006 as the three ZIP codes gained about 100 establishments, 4,000 employees, and nearly \$400 million annual payroll. This reflects an economic renaissance for Oklahoma City's central core—a renaissance whose timing tracks the opening of the major MAPS projects.

Particularly significant was the increase in annual aggregate payroll for the Downtown CBD from \$642 million in 2001 to slightly over \$1 billion in 2006—driving an increase in payroll per employee from \$43,800 to \$60,042.

Structural Mix of Establishments

The study area contains concentrations of employment for Health Care and Social Assistance, Public Administration (i.e. government), and Legal Services. The Health Care and Social Assistance sector had 405 establishments and 18,251 employees. One out of every three jobs in the study area is in health care. Nearly one-fifth of the study area's 2008 establishments with 3,733 employees provided legal services. The study area's Public Administration sector with 8,447 employees is located primarily in the Downtown CBD and reflects city, county, and federal offices, along with offices of several agencies of state government. The Oil and Gas business has been particularly important in generating earnings growth.

Recreation and Travel

The study area's "arts, entertainment and recreation" industry included 54 businesses with 440 employees. The growth of entertainment venues connected with the major MAPS projects has been a major feature of this industry. With 856 employees and 11 establishments, the "accommodation" industry had become a major feature of the study area economy in 2008. This is in stark contrast to the 1990s when the study area's Downtown CBD and Bricktown contained only one major hotel, the Sheraton. The extensive remodeling of the Sheraton and the addition of six more substantial hotel facilities is arguably the single most significant reflection of the renewal of Oklahoma City's central core as the MAPS projects have come on line. The transformation of Bricktown with its MAPS canal into a major recreation venue is illustrated by the study area's data on "food services and drinking places." In 2008, there were 123 businesses and 1,912 employees reported for this industry—3.4 percent of all jobs in the study area. The *County Business Patterns* data source indicates a 23 percent increase in the number of firms in this industry between 2000 and 2006.

Real Estate Value

The 2005 version of this study reported market value data for 1999-2004 for a study area which did not include the "Core to Shore" area between the downtown and the Oklahoma River which is now included in this current version. During that period the aggregate market value for the earlier, somewhat smaller version of the study area grew from \$581 million to \$931

million. This represented a 60.2 percent increase compared to an aggregate market value increase for all of Oklahoma County of 42.8 percent.

With a realization that the study area now includes the Core to Shore area, the aggregate market value of assessed real estate for the 2008 tax year was \$1,373 million or 3.2 percent of the \$43,587 million market value for all real estate within Oklahoma County.

CHAPTER 4: MAPS PROJECTS- OUTPUTS AND LINKAGES

An overview of the recent and planned investments in Oklahoma City's central core presents a stunning array of capital projects in the study area. It is an overview that is particularly enlightening to those who recall the historical pattern of blight in the Bricktown area and the downtown's discouraged outlook in the 1980s after the collapse of the state's oil and gas boom. From the mid-1990s through 2008, the total value of new investment projects completed or in progress within the study area totaled about \$3.1 billion. Another \$1.9 billion has been announced.

Visitation to the downtown area is enhanced by a major memorial and museum honoring the victims of the 1995 bombing of the Murrah Federal Building, a new art museum, and numerous eating, drinking, and entertainment establishments in Bricktown. A canal with water taxi boat tours and a giant new sports retail establishment at the area's east end add to the area's attractiveness. The permanent attraction of a National Basketball Association team is generating a steady flow of fans. Underway at Bricktown is a 365-foot long bronze statue depicting Oklahoma's 1889 land run. A new 16-screen cinema complex brings thousands of movie-goers to Bricktown. The Oklahoma River is developing into a special tourist attraction. Older but upgraded attractions adding to the aesthetic and cultural infrastructure of the study area include a massive botanical garden and a performing arts center.

Largely in response to greater convention and tourism activity, a major hotel was refurbished and six more significant hotels have been opened or are under construction. An old office building downtown has been transformed into a boutique hotel. And a downtown hotel of great historical and architectural significance has been saved and reopened in 2007.

The extent to which visitors from within and without Oklahoma are coming into contact with the various venues in the study area is summarized in Table 2. The data on attendance in Table 2 was generated, for the most part, by the venues themselves and naturally contain an unknown amount of double counting for persons visiting several sites at one time. Nevertheless, the total attendance in 2008 at the specific MAPS projects added up to nearly 3 million.

Table 2 – Annual Attendance/Visits, Downtown Oklahoma City, 2003-2008

Site	2003	2004	2005	2006	2007	2008
MAPS Projects:						
SBC Bricktown Ballpark:						
Oklahoma RedHawks games	380,051	474,206	542,095	525,000	529,600	459,295
Other events at Ballpark				181,000	200,000	164,886
Trolley Bus service	113,258	118,149	93,496	78,245	65,724	68,114
Water Taxi of Oklahoma canal boats	103,500	110,470	139,174	139,174	139,174	141,686
Cox Business Services Convention Center	648,106	684,641	577,015	605,952	586,454	386,932
Civic Center Music Hall	336,657	277,246	252,074	268,262	310,284	314,100
Ford Center arena	1,122,261	933,722	957,636	1,278,591	965,969	941,700
Ronald J. Norick Public Library (book circulation)	143,902	158,371	337,894	370,318	349,097	303,000
Oklahoma River:						
Matt Hoffman Skate Park				30,000	27,000	30,000
Races, regattas and boathouse related		43,000	53,000	100,000	77,000	68,847
Boat Parade					35,000	40,000
River Fest					5,000	5,000
Oklahoma City National Memorial:						
National Memorial Center Museum	194,000	197,000	194,000	200,000	164,000	170,000
Estimated visits to Memorial grounds	301,000	262,010	258,020	350,000	382,000	330,000
Oklahoma City Museum of Art	92,324	120,560	210,075	130,000	130,000	170,000
Myriad Botanical Gardens:						
Crystal Bridge [a]	89,881	85,749	74,287	70,028	60,856	94,000
Estimated visits to grounds	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Stage Center Theater	89,205	77,131	71,491	56,565	[b]	[b]
Special Events:						
Arts Festival	750,000	750,000	750,000	750,000	700,000	750,000
Downtown in December	198,853	220,300	200,000	200,000	200,000	205,000
Opening Night (New Year's Eve)	55,000	62,000	70,000	68,000	68,000	73,000
Jazz Fest					14,000	
Dead Center Film Festival					5,200	5,216
Oklahoma City Memorial Marathon					6,932	16,000
Estimated visits to Bricktown [c]	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000	2,900,000
Total	6,617,998	6,574,555	7,780,257	8,401,135	8,021,290	8,636,776
[a]In 2007 closed for 3 1/2 months.						
[b]Included in Civic Center Music Hall						
[c]Includes BassPro and Harkins Theaters						
Source: Greater Oklahoma City Chamber of Commerce						

In addition to the sites attracting visitors, there has been \$238 million investment in housing and mixed use structures during 1995-2008.

The “Underground” has been upgraded; a new bus transfer station on the north edge of downtown facilitates the use of public transit; several large parking facilities have been constructed; The Oklahoma Health Center has witnessed a massive amount of investment in health care facilities, health research and education, and in a biomedical research park. A second medical complex is subject to significant new investment spending, while the city is linking the two complexes with a “health corridor.”

The complexion of the southern part of the study area is being totally transformed. This transformation includes the realignment of I-40 several blocks to the south of its

former elevated course at the southern edge of the CBD. A dramatic change in the southern edge of the CBD will result from the planned construction of a 54-story office tower by the Devon Energy Corporation. There are also a variety of developments along a major MAPS project, i.e. the Oklahoma River at the southern edge of the study area. A “Core to Shore” planning document sets forth a grand conception of development between the CBD and the Oklahoma River, along with a set of planning guidelines for future development.

Virtually adjacent to the study area is a new large history center museum in the capitol complex. A massive American Indian Cultural Center being developed just east of Bricktown and is essentially within the study area. And finally, as a result of the “MAPS for Kids” initiative, the city’s public schools are receiving an infusion of capital funds which are resulting in first-rate facilities throughout the system.

SBC Bricktown Ballpark

During 2008, attendance at the RedHawks games and other events at the Ballpark totaled 624,181. During the 2008 season, the Redhawks total attendance placed its attendance performance right at the middle of the 15-team Pacific Coast League.

The SBC Bricktown Ballpark is an architectural image of a turn-of-the-century (1900 that is) facility and provides fans with a substantially different experience from that former venue of the aging All-Sports Stadium at the fairgrounds. Paid admission for the last two years at the fairgrounds and four seasons at Bricktown illustrates this difference.

1996	\$ 796,642
1997	742,243
1998	2,776,582
1999	2,620,119
2000	2,332,271
2001	2,350,990

The vastly different and higher quality experience of those using the MAPS investments is a theme which is repeated for virtually all the projects.

Trolley Bus Service (officially the Transportation Link project)

With operations beginning in 1999, nine MAPS-financed trolley replica buses provide shuttle service and tours of the area. The Oklahoma Spirit Trolley Service is particularly important between downtown and the large hotel/motel concentration five miles to the west at I-40 and Meridian. The original cost of this project was \$5.3 million. Because of the growth of the downtown area’s residential population, the system is facing a challenge to broaden its service.

Bricktown Canal

Costing \$26.1 million, the Bricktown Canal provides visitors with a visual urban landscape unlike anything they have seen before in Oklahoma. The ballpark and canal are complementary to the area’s restaurant business.

Cox Convention Center

MAPS funds amounting to \$63.1 million were used to add 100,000 square feet to the facility, to substantially upgrade interior meeting rooms, and to perform structural improvements. The Cox Center brings a large number of visitors to downtown Oklahoma City. During 2003-2007, annual attendance at events ranged between 685,000 and 586,000. There is no doubt that there is a linkage between a share of these visitors and the business volume of eating and drinking establishments in Bricktown. The biggest challenge for the Cox Center, however, is that it is not large enough to compete successfully for large-scale convention business.

Civic Center Music Hall

In a three-year, \$52.4 million MAPS project much of the big structure was completely gutted and a new Thelma Gaylord Performing Arts Theater was created with a 2,500 seat capacity. During 2008, 314 thousand people attended events at the facility. It has been estimated that nearly two out of five people attending events have come from out-of-town. One of the indirect effects of this MAPS projects was the upgrading and early completion of a smaller but first-rate performance facility at nearby Rose State College, a local community college. While the Civic Center was under constructions, the various performances were held at Rose State. Perhaps the biggest impact of the Civic Center Music Hall has been the rising status of Oklahoma City as a cultural center.

Ford Center

The new Ford Center arena opened in June 2002 and cost \$87.7 million of MAPS funds. In 2008, attendance at events at the Ford Center was reported at 941,700. Like the SBC Bricktown Ballpark, the Bricktown Canal, and the Civic Center Music Hall, this facility provides an experience for its users that had not previously been available in Oklahoma City. The contrast between old facilities at the Cox Center and the new arena is striking. For example, during the year ending June 30, 2002, the old arena in the Cox Center had seven major concerts; during the following fiscal year the Ford Center had 26 concerts. In early July 2008 an arrangement was finalized to move the Seattle team to Oklahoma City for the 2008-09 season. The team brought with it 120 employees. The Oklahoma City Thunder is playing 41 games during this season at the Ford Center. This is generating substantial increases in business at downtown and Bricktown restaurants and bars—with new businesses responding to the opportunities. Since the Ford Center's completion, the ability of Oklahoma City to attract performances by big name entertainers has increased the city's prestige. In March 2008, the voters approved \$100 million for an upgrade to the Ford Center and \$21 million for a new basketball practice facility.

Ronald J. Norick Downtown Library

The new structure is a remarkable improvement over the former 65,000 square foot downtown Library building which had been opened in 1952 and gave the appearance of not having changed much since that time. Book circulation was 303,000 in 2008—virtually double the level in 2004. The new library has become a center of downtown community activity. It is now the library of preference for many of the higher income residents of the northern part of the study area. Thus there is a potentially very important linkage between core residential development

and the Library – perhaps more important on a sustained daily basis than with any of the other MAPS projects within the study area.

The Oklahoma River

More boathouses are planned for collegiate rowing programs at Oklahoma City University, the University of Oklahoma, and the University of Central Oklahoma. Devon Energy has pledged \$5 million toward the completion of a \$10 million facility for Oklahoma City University. An important river attraction has been the new Oklahoma River Cruisers, the Devon Discovery, Devon Explorer, and Devon Pioneer. A 26,000 sq. ft. Matt Hoffman Skate Park has been constructed on the south side of the Oklahoma River due south of the downtown area. Total attendance at Oklahoma River activities are estimated at 144 thousand. A key linkage already in place involves the link between attendance at Oklahoma River events and the recreational businesses in Bricktown. Perhaps the single most significant feature linking the city's basic economic development to the MAPS Oklahoma River improvements is \$40 million Dell Inc. customer contact center which opened in September 2005. The Dell facility hired about 1,500 workers at its 60 acre site on the western reach of the Oklahoma River well outside of the study area. There can be little doubt that the visual attractiveness of this riverfront location affected the decision to locate at this specific site.

CHAPTER 5: ADDITIONAL INVESTMENTS- OUPUTS AND LINKAGES

This section contains a review of major investments within and adjacent to the study area in addition to the MAPS investments discussed in the previous section. Several other investments draw significant visits by both tourists and nearby residents. Significant increases in hotel capacity permit more tourist and business-related visitation and enhance the convention business. Modest new office construction has complemented other features of central core growth. The area's Health and Bioscience Economy is arguably the largest and most dynamic element in the city's entire central core. The recreation activities available in Bricktown are currently estimated to draw 2.9 million visits annually. All of the recent investments in the study area combine to provide a base for additional residential development. Finally, the Downtown Central Business District of Oklahoma City is being reshaped and enhanced by developments such as the Core to Shore link to the Oklahoma River (a MAPS project).

The Oklahoma City National Memorial and Memorial Center Museum

In the late spring of 2003, a nationally-recognized travel research firm, Randall Travel Marketing, issued a major report measuring consumer characteristics and opinions about their visits to the Memorial. Interview results were obtained from a sample of the 250,000 paid admissions to the museum during April 1, 2002 through March 31, 2003. Several of the research findings illustrate the economic impact of this study area investment.

- Ninety-five percent of the respondents lived more than 30 miles from the facility. Only 10 percent were from Oklahoma.
- Fifty-seven percent indicated that visiting the facility was the major reason for their visit to Oklahoma City.
- A party of four visiting the Memorial spent, on average, about \$96 while in Oklahoma City; tour groups' averages were somewhat less.

These and other statistics in the Randall report suggest that the Memorial is a very significant source of tourist visitors in Oklahoma City. Thus it has some impact on the hotels and eating places within the study area. For example, 18 percent of the respondents in the survey reported they also visited Bricktown. A more recent study used the Randall data to analyze the full impact of the Memorial's employees, its payroll, and tourists attracted on the economy of a five-county Oklahoma City metropolitan area. This report arrived at an annual impact during a 4.5 year period of 2,334 jobs and \$38.7 million in employee compensation. By far the dominant share of this economic impact is due to the expenditures of tourists.

Oklahoma City Museum of Art

As is the case with several of the MAPS investments, this facility provides a totally different experience in comparison with what had been available before. During its first year of operation, the museum drew more than 100,000 visitors—double that of the previous fairgrounds site. The visitor level had grown to more than 170,000 during 2008 and there were 4,200 household memberships in the museum. The impact of the museum on the study area includes the substantial downtown visits by museum patrons.

Gaylord-Pickens Oklahoma Heritage Center

In its former location in the historic Hefner Mansion on NW 14th Street, the museum experienced an average of about 25 visitors per week and a steady stream of weddings and receptions. The completely remodeled Edward L. Gaylord & Boone Pickens Oklahoma Heritage Center is now a significant destination for visitors to the study area. Attendance was running at an annual rate of about 13,000 per year during 2007-2008.

The Overholser Mansion

The Oklahoma Historical Society's Overholser Mansion in the Heritage Hills neighborhood is similar to the Hefner Mansion in its historic significance. Modest visitation to this facility has been positively influenced by the MAPS investments.

Myriad Botanical Gardens

There has been an increase in usage of the park due to the large number of events at the Ford and Cox Centers, visits to the National Memorial and Museum of Art, and the regular flow of people to Bricktown. The success of the Myriad Gardens no doubt influenced the original vote on the MAPS projects. TIF monies generated from the Devon Tower project will generate \$35 million to upgrade the area.

Stage Center and Arts Council Complex

The activities at this venue bring many people to the downtown area. The most prominent of the functions organized by the Arts Council is the week-long spring Festival of the Arts which is estimated to have attracted 750,000 visitors in 2008. The New Years Eve "Opening Night" with performances and activities throughout the downtown area attracted 73,000 celebrators in 2008.

Hotel Investments

Arguably, hotels represent the segment most strongly impacted by the MAPS investments within the central core of Oklahoma City. In 1992-93 when the city's leaders developed the plans for the MAPS investments, there was only one significant hotel operating in downtown Oklahoma City. What is now the Sheraton had nearly 400 rooms but was in need of upgrading. By 2008, there were seven significant hotels in the Downtown CBD and Bricktown with a total of about 1,600 rooms. Nearly \$200 million worth of capital investment had occurred in the hotel sector since the community made the decision to support the MAPS investments. And more hotels are in the planning or construction stages.

In 1992, Coopers & Lybrand prepared a hotel and convention study for the Oklahoma City Urban Renewal Authority which emphasized the linkage between the hotel market and the downtown convention market. An expanded Myriad Convention Center (now the Cox Business Services Convention Center) was key to the success of the Sheraton Oklahoma City Hotel.

In the fall of 2005, a \$56.4 million renovation project of the Skirvin hotel was started. Its reopening in 2007 was a dramatic event in the renaissance of downtown Oklahoma City. In 1998 construction began on the 311-room Renaissance Oklahoma City Hotel. The Renaissance opened in early 2000 and today receives a "Four Diamond" rating from the American Automobile Association. In 2004, the 225-room, \$22.5 million, Courtyard by Marriott Hotel opened just to the southeast of the Ford Center. Construction began in the fall of 2005 of a 150-room six-story Residence Inn in Bricktown. One of the oldest office buildings in downtown Oklahoma City was transformed into the 108-room Colcord hotel. Another hotel, the 200-room Bricktown Hampton Inn was constructed just east of the SBC Bricktown Ballpark. With all of these projects completed, the area includes about 1,600 hotel rooms. This puts downtown Oklahoma City into competition for attracting a wider range of conventions and meetings.

A 196-room Embassy Suites hotel is in the planning stage to be located at the south edge of the Oklahoma Health Center Complex. A Holiday Inn Express facility is under consideration for a site at the east edge of Bricktown.

Office Building Development

Four recently completed office structures include a major facility in Bricktown primarily for occupancy by Sonic Corp., a building across the street from the Civic Center Music Hall for the American Choral Directors Association, a huge new federal government office complex, and new offices for the Oklahoma City Community Foundation.

SONIC Corp. Headquarters

A new four-story, \$13 million, 100,000 square foot office building primarily for SONIC was constructed in 2003 for 300 employees. The management of SONIC has been firmly committed to the development of Oklahoma City's central business district. There is little doubt that the choice of the Bricktown site for the corporate headquarters was influenced by MAPS investments.

American Choral Directors Association

This modest but attractive building was completed in 2003. The 14,000 square foot building is designed to eventually double in size. The building, given the size of the organization's membership, could well attract additional tourists to downtown Oklahoma City.

The Federal Campus

The 1995 bombing of the Murrah Federal Building meant that a significant number of federal government offices had to shift to other office space around the downtown area and elsewhere. A new \$40 million campus-type office complex was occupied in the spring of 2004. It houses 300-350 employees.

Oklahoma City Community Foundation

In 2007, the Oklahoma City Community Foundation moved into a new 18,000 sq. ft., \$5 million office building which now houses 28 employees. The Foundation reported over \$500 million in assets in 2008. It was reported that this is the first new office building to be constructed along Broadway in at least 40 years.

Older Office Buildings

There are many older office buildings in downtown Oklahoma City in various states of repair and disrepair. Two, however, deserve special mention because of their size and recently improved prospects. The largest office building in Oklahoma City is the 950,000 sq. ft. First National Center which lies in the center of the Downtown Central Business District. The 32-story structure was completed in 1931, and in recent years has experienced relatively high vacancy rates. Along with the Skirvin Hotel, it represented prominent problem structures in downtown. Its prospects are improving as new owners are committed to significant upgrading. In August of 2003 the First National Center was reported as having 637,494 vacant sq. ft. of space out of a total capacity of 975,025 sq. ft.—a vacancy rate of 65 percent. In November 2008, the vacancy rate was reported by the same source as 34 percent.

The 29 story Kerr-McGee tower building was opened in 1972 as the headquarters of the Kerr-McGee Corporation. It was, and is, one of the largest office buildings in downtown Oklahoma City. An empty Kerr-McGee tower could have turned into a massive source of excess capacity in the downtown office market. However, SandRidge Energy has acquired the building which it is gutting and rebuilding for its corporate offices. It is expected that there will be 500 employees located in the facility. SandRidge also acquired three other older office buildings formerly part of the Kerr McGee downtown complex.

Devon Energy Corporate Headquarters

Devon Energy Corporation has announced the planned construction of what will be by far the largest office complex in downtown Oklahoma City. Principal structures will be a 54 story, 925 ft. high, 1.5 million sq. ft. tower which will be the fifth tallest building west of the Mississippi River, along with a 400,000 sq. ft. “podium” building just west of the tower. The new buildings will have capacity for more than 3,000 employees. By 2012 the firm anticipates more than 2,000 employees downtown.

A Tax Increment Financing (TIF) district is planned for the area immediately around and near the new structures. The district, administered by the city, will use the proceeds of new sales tax and property tax revenues generated by the new Devon structures to “fix up the neighborhood.” An overarching goal of these improvements is the attraction of additional corporate headquarters.

Health and Bioscience Economy Investments

Investments in the study area’s Health Economy sector are concentrated in two separate geographic areas: (1) the Oklahoma Health Center and its related Presbyterian Health Foundation Research Park and (2) the St. Anthony Hospital-MidTown area.

Oklahoma Health Center

The 300-acre Oklahoma Health Center (OHC) and its adjacent Presbyterian Health Foundation Research Park is the site of 28 medically-related organizations. The various organizations located in the OHC hire more than 12,500 workers. The volume of new investment at the Oklahoma Health Center and related facilities between 1994 and 2008 is in the neighborhood of \$1 billion. A thorough analysis of recent investment in this complex would require a separate major study.

Presbyterian Health Foundation Research Park

As is the case with several of the MAPS and other major investment projects discussed above, the Research Park represents a capital asset providing a service *totally different* from anything that had existed in Oklahoma City prior to 1995. In 2008, the park was the site for 30-plus bioscience companies and another 20-plus related tenants.

From 1994 through 2008, the value of the capital projects at the park totaled \$127.5 million. In 2008 there were about 1,200 jobs at the Research Park with an average range of salaries of \$55,000 to 85,000 per year. When the master plan for the park is finally implemented, it is anticipated that it will include a total of ten buildings and one million sq. ft. of lab, office, miscellaneous space.

The success of the Research Park has been associated with its own critical mass, together with its proximity to the huge health research resources at the rest of OHC. Many of the enterprises located at the park are commercializing research findings from other OHC facilities—

particularly the University of Oklahoma Health Sciences Center and the Oklahoma Medical Research Foundation.

St. Anthony Hospital-MidTown Area

In addition to the big medical complex at OHC, the study area includes a second node of Health Economy activity around St. Anthony Hospital, a couple of other major medical operations and a number of physicians' offices ten blocks due north of the city's central business district. By 2003, the remarkable resurgence of MAPS-driven capital spending had not filtered as far north as the area. In 2008, St. Anthony Hospital had 601 beds and 1,681 employees, while the Bone & Joint Hospital reported 102 beds and 152 employees. Total employment in the 30 acre area including the big hospital is in the neighborhood of 4,000.

The area running north and south roughly between the new Federal Campus and St. Anthony Hospital is referred to as MidTown. This area, including the area adjacent to St. Anthony had experienced the sort of urban blight common to central cities in the United States. A local developer has recently been renovating roughly 164,000 sq. ft. of space in this area to be used primarily for office and commercial purposes. Another developer group acquired numerous properties in the MidTown area during 2005-07, in which properties are in varying states of redevelopment. All of the refurbished structures will capture some of the Health Economy spin-off business associated with the St. Anthony health node.

Closely related and east of Midtown is a narrow band of redevelopment referred to as "Automobile Alley" extending along N. Broadway from NW 10th to NW 4th. Historically, this was the site of a cluster of automobile dealerships, most of which have now departed to suburban areas. A number of buildings have been remodeled as restaurants, offices, loft apartments, and a few retail establishments.

Health and Bioscience Economy Linkages and Prospects

The OHC and the St. Anthony MidTown complexes promise to continue to be important drivers of economic activity and growth in the study area. The capital investment of \$1.3 billion between 1994 and 2008 represents a massive change in the economic environment of the OHC and the entire study area. This investment also validates the potential for future capital spending. The OHC and its consultants have prepared a detailed Master Plan which applies to 92 projects at a total expenditure of \$1.5 billion. Within the study area, linkages with MAPS and related major investments are indirect. However, by creating an attractive central core in Oklahoma City, these other investments involve positive quality-of-life features that are very helpful in attracting and retaining the health care and research professionals that are the heart of the study area's Health Economy.

Bricktown

In 2008 there were 26 restaurants and clubs operating in Bricktown. About three-quarters of the occupied space in the old brick buildings is now devoted to eating and drinking places, and

one-quarter to offices. Because of its open geography and its many venues, it is a challenge to determine the extent of visitation to Bricktown. A reasonable figure for 2008 may be 2.9 million.

The linkage between Bricktown and the MAPS investments is viewed in two phases. First, the aggressive and creative development of Bricktown properties by a small group of entrepreneurs in the 1980s and early 1990s established that this area could enrich the options for eating, entertainment, and unique office space in the core of Oklahoma City. The ideas of a canal (patterned after San Antonio) and a baseball park were natural for such a district. Thus the presence of Bricktown influenced the initial choice of two of the major MAPS projects and probably had a positive impact on the vote of the people on the MAPS sales tax levy.

The second phase in the linkage between Bricktown and MAPS came after the December 1993 voter approval of the dedicated sales tax and the projects. Entrepreneurs anticipated the completion of the ballpark and the canal in the late 1990s. They were also sensitive to the increased convention and events traffic that was going to occur with the completion of the Cox Business Services Convention Center, the Ford Center, and with new and improved hotel assets. Property values grew dramatically in Bricktown as did rental costs. By 2003, office space in Bricktown was priced at similar rates to Class A and good Class B space downtown, i.e. between \$14 and \$18 per square foot.

Table 3 – Market Value of Selected Bricktown Commercial Properties, 1999, 2004, and 2008

Facility name	Address	Market value 1999 (\$)	Market value 2004 (\$)	Market value 2008 (\$)	Change in market value, 1999-2008 (\$)	Percent change, 1999-2004	Percent change, 2004-2008	Percent change, 1999-2008
Zio's/Laughing Fish	12 E. California	322,150	1,317,201	1,317,201	995,051	308.9	0.0	308.9
Chileno's Mexican Restaurant	15 E. California	259,700	1,040,000	1,040,000	780,300	300.5	0.0	300.5
Oklahoma Hardware, West Part	19 E. California	540,250	790,100	790,100	249,850	46.2	0.0	46.2
Oklahoma Hardware	29 E. California	623,800	2,960,000	2,960,000	2,336,200	374.5	0.0	374.5
Parking lot	100 E. California	1,300,000	2,622,720	2,244,720	944,720	101.7	-14.4	72.7
Warehouse	101 E. California	158,450	1,323,400	1,323,400	1,164,950	735.2	0.0	735.2
Dungeon	105 E. California	299,700	1,323,400	1,323,400	1,023,700	341.6	0.0	341.6
Vacant	108 E. California	129,950	1,600,000	2,000,000	1,870,050	1,131.2	25.0	1439.1
Miller Jackson, East Part	111 E. California	189,100	1,579,000	1,579,000	1,389,900	735.0	0.0	735.0
Miller Jackson West, Hooters	115 E. California	188,450	1,380,000	1,380,000	1,191,550	632.3	0.0	632.3
Commercial vacant land	116 E. California	68,250	1,255,000	1,475,000	1,406,750	1,738.8	17.5	2061.2
Coca-Cola Bricktown Event Center	413 E. California	229,300	2,658,092	2,658,092	2,428,792	1,059.2	0.0	1059.2
Melton/Labco/Fairway King	3 E. Main	335,950	1,095,867	1,192,331	856,381	226.2	8.8	254.9
Bricktown Mercantile/City Limits	100 E. Main	399,150	2,280,905	2,786,840	2,387,690	471.4	22.2	598.2
Candy Factory Lofts (proposed)	1 E. Sheridan	391,110	1,621,846	2,209,800	1,818,690	314.7	36.3	465.0
Parking, The Melting Pot	4 E. Sheridan	1,116,100	1,116,146	1,742,000	625,900	0.0	56.1	56.1
Abuelo's	17 E. Sheridan	559,000	1,518,843	2,322,000	1,763,000	171.7	52.9	315.4
Daquiri Zone Grill & Bar	27 E. Sheridan	531,550	1,216,405	2,136,750	1,605,200	128.8	75.7	302.0
Bricktown Brewery	29 E. Sheridan	426,300	696,941	1,072,350	646,050	63.5	53.9	151.5
Spaghetti Warehouse	101 E. Sheridan	769,300	2,176,056	2,176,056	1,406,756	182.9	0.0	182.9
Breeden Bldg	114 E. Sheridan	1,055,650	2,956,000	3,208,676	2,153,026	180.0	8.5	204.0
Tapworks Alehouse & Café	121 E. Sheridan	540,000	635,318	635,318	95,318	17.7	0.0	17.7
Harcourt Building	124 E. Sheridan	328,850	1,120,000	1,805,062	1,476,212	240.6	61.2	448.9
Total slected properties		10,762,060	36,283,240	41,378,096	30,616,036	237.1	14.0	284.5
Source: Leonard Sullivan Oklahoma County Assessor, special analysis and web site.								

The aggregate market value of the 23 sites grew from \$10.8 million in 1999 to \$36.3 million in 2004—an increase of 237 percent. The rate of asset growth tapered off considerably during 2004-2008, with the aggregate value of the selected sites growing only 14 percent. While there has been significant remodeling of some of the old facilities, it is clear that a main cause for the growth in market value is the willingness of investors to pay higher prices for the area's real estate. This is particularly true of the earlier of the two periods. The appreciation of these selected properties is a significant illustration of the economic stimuli flowing from the downtown MAPS and other attendance-generating capital investments.

No doubt there would have continued to be some development in the Bricktown area even without the MAPS investments, but growth would have remained modest and would probably have been more heavily weighted toward office space rather than eating and drinking establishments.

There are also strong economic linkages between the MAPS investments and brand new major investments in Bricktown. The new \$13 million office building for SONIC Corp. was discussed above. Three other major investments are also important. These are a 16-screen theater complex (\$14 million), major investments in restaurants and a night club (e.g. Toby Keith's at a cost of \$4.7 million), a massive Bass Pro Shops Outdoor World retail store (\$18.8 million), and numerous new apartment/condominium projects within the immediate area. And the 41 NBA

games at the Ford Center during the 2008-09 season are a big boost for the restaurants and clubs. The theater and Bass Pro “anchors” on the southern edge of the area (now called “Lower Bricktown”) promise to create a more stable customer base for all of Bricktown, as will the increasing number of year-round residents nearby and the expanded event schedule at the Ford Center.

Residential Development: Bricktown and Beyond

The recent history of multifamily developments in the study area illustrates another set of capital investments influenced by the original MAPS investments. After around 1980, there was virtually no new multifamily housing created in Oklahoma City’s central core until 1998 when a Texas developer decided to invest in the Deep Deuce at Bricktown Apartments.

In May 2000 Dallas developer First Worthington Limited and local developer Craig Brown began construction on Deep Deuce at Bricktown Apartments which were completed in 2001. This 294 unit apartment complex matches the brick theme of the Bricktown. *This is the first major apartment complex constructed in the study area at since the 1980s.* Even though the rents are relatively high by Oklahoma City standards, the complex has had a very high occupancy rate. It has proved to be particularly attractive for younger people working at the Oklahoma Health Center.

It is possible that the Deep Deuce Apartments would have been built even without the MAPS-induced expansions in Bricktown and the downtown area because of the rapid expansion in the Oklahoma Health Center. More likely, however, is that the Dallas developer would have undertaken a project in north Oklahoma City. With Bricktown and its MAPS investments influencing the decision to build the Deep Deuce Apartments, those apartments in turn broke the ice and influenced a substantial expansion of apartment/condominium development elsewhere within the study area

Table 4 – Selected Residential Development within Study Area, 2008

Name of unit	General location	Number of units	Remarks
Block 42	Deep Deuce area, northeast edge of Bricktown	42	Condos, units range from lofts to townhouses
Brownstones at Maywood Park	3rd & Oklahoma, Maywood Park is just south of Deep Deuce	27	Condos, \$500,000-\$800,000
Carnegie Center	north central CBD	18	Condos, structure is former downtown library, across from SandRidge Energy headquarters
Centennial on the Canal	lower Bricktown	30	Condos on the Bricktown Canal, \$305,000-\$600,000
Central Avenue Villas	Deep Deuce Area	30	Condos, \$175,000-\$500,000
The Classen	Far north edge of study area	80	Remodeled 21 story office building, intended to be condos, but being rented
Deep Deuce at Bricktown Apartments	northeast edge of Bricktown area	294	first large scale apartment complex since passage of MAPS initiative in 2003, sold in 2007 for \$26.9 million
Flatiron Lofts	between downtown and Bricktown	19	apartments, mixed use building
Garage Loft Apartments	MidTown	24	rental units in old auto dealership, in 1996 was the first multiunit development in area in nearly two decades
The Hill	Bricktown	157	townhomes, \$420,000 and up, \$75 million development
Legacy at Arts Quarter	north of Civic Center Music Hall	303	apartments
Lofts at Maywood Park	just south of Deep Deuce	55	condos, \$132,000-\$285,000
The Montgomery	midst of central business district	56	intended condos, now upscale apartments, building is former Montgomery Ward store
Overholser Green	MidTown	85-100	big project in planning stage for cleared site of former hospital
Park Harvey Building	central business district	164	in former Class C office building, modest rents
Sieber Hotel	MidTown	38	former hotel that had been vacant for decades
University Village Apartments	University of Oklahoma Health Sciences Center campus	86	student and other housing

A July 2005 *Downtown Housing Demand* study reported a substantial unmet demand for downtown housing. That study, applicable to a smaller area than the study area, projected the following annual absorption of downtown housing.

Housing units per year

	<u>2005-2010</u>	<u>2010-2015</u>
Rental	300-500	150-350
For sale	150-350	200-400

In the case of Oklahoma City and similar cities, the presence of older office buildings downtown with low occupancy rates presents significant opportunities for shifting usage to rental or condo housing units. Within the study area, this has occurred with the Montgomery Ward Building, the Citizens Tower (renamed The Classen), and the Park Harvey Center.

Parking and Pedestrian Mobility

In most instances parking spaces can be found downtown if people are willing to walk a block or two, and spaces continue to become much more readily available as more facilities come on line. The attractiveness of sites to visit and events to attend must be great enough to overcome reluctance to pay parking charges. This is the case even though charges are modest in comparison with those found in central cities elsewhere.

In the early years of MAPS planning, there was not a resulting wave of parking expansion. The city's Central Oklahoma Transit and Parking Authority's (COTPA) facilities encompass about half the off-street parking downtown. In 1994, downtown Oklahoma City had still not completely recovered from the energy bust which had a severe impact beginning in 1986. In 1994, COTPA facilities had a 35 percent vacancy rate. It was not long, however, until plans were being made to expand off-street parking assets. The expansion of off-street parking investment is arguably the single most powerful indicator of the emerging vitality of Oklahoma City's central core.

The most obvious direct linkage between a MAPS investment and parking assets is seen in the multi-story privately-owned parking garage adjacent to the SBC Bricktown Ballpark. Other closely linked parking developments include the 1,050 ground-level spaces developed at the north edge of Bricktown and a 625 space five-story garage which is located next to the new Courtyard by Marriott hotel adjacent to the Ford Center. COTPA has constructed a \$22 million multi-level facility at the site of an existing parking facility across the street from the Ronald J. Norick Downtown Library (a MAPS project). This adds 1,000 spaces and brings that facility up to a capacity of 2,800. Overall, COPTA provides about 7,000 parking spaces downtown.

County government has constructed an \$11 million, 1,000 space parking garage in the north-central part of the downtown area not far from county government offices. This has public parking as well as space dedicated to county employees and employees of nearby Oklahoma Gas & Electric Co.

A bus transfer station that had been at the site of the newly-constructed Ford Center has been relocated to the northern part of the downtown area. This \$6.2 million structure includes an air conditioned waiting area. Another bus-related indicator of downtown growth is the increased usage by COTPA of shuttle bus service downtown from suburban locations where there are large free parking lots.

Since the 1970s, pedestrian access throughout the downtown area has been facilitated by a three-quarter mile tunnel system referred to as the Concourse. This facility had become somewhat run-down and in need of improvement to match the quality of MAPS and other major investments in the downtown area. A special assessment district was created to undertake a \$1.7 million renovation of this facility. It was renamed “The Underground” and opened in the spring of 2007.

Pedestrian access has been further improved with the addition of signage throughout the downtown area and Bricktown. Also added have been several pedestrian friendly traffic signals in the downtown area which report to the walker the number of seconds remaining before the light changes.

Major Fringe Area Investments

Several important developments immediately adjacent to the study area are mentioned briefly because they promise to add to the area’s overall attractiveness.

Oklahoma History Center

A \$54 million museum and research center was opened in November 2005, as part of the state capitol complex—immediately northeast of the northeast corner of the study area. This 200,000 square-foot facility will become a major tourist attraction with obvious spill-overs to the study area attractions such as Bricktown.

American Indian Cultural Center and Museum

Three hundred acres of former oilfield land on both sides of the North Canadian River and directly southeast of Bricktown have been set aside for this massive project. It is expected to cost in excess of \$110 million. Consultants hired by the Authority have estimated that the facility will attract 500,000 new visitors to Oklahoma each year.

MAPS for Kids

The sales tax measure and the district bond issue were approved by the city’s voters in the fall of 2001. The result is a \$700 million investment in all the districts within the Oklahoma City city limits, with the bulk of the funds going to the Oklahoma City Public Schools. While there are only two public school sites within the study area, the overall quality of the city’s public schools is quite relevant to the prospects for residential development. Families with children may find residing in the study area to be more attractive as old school facilities are upgraded and new facilities are constructed, and as the academic achievement of the district’s students improves. The MAPS for Kids plan includes a downtown elementary school.

Overall Investment

The aggregate additions to capital in place and planned with some certainty—including the I-40 realignment, can easily add up to a figure exceeding \$5 billion. Absent from the data is a possible new cluster of public and private investments related to the Core to Shore area. Also not included is the \$700 million in MAPS for Kids investments that are taking place throughout the city. Since much of the massive new investment has come on line so very recently or has yet to be completed, it must be pointed out that there are many linkages that have not yet played out.

CHAPTER 6: PUTTING IT TOGETHER- LINKAGES AND OPPORTUNITIES

The emergence of \$3.1 billion in public and private capital investment in the study area since the mid 1990s can truly be said to be generating a renaissance of the city's central core. And the renaissance is to be sustained by another \$1.9 billion of investment in definite planning stages through 2014. The presence of an increased number of athletic events, conventions, and visitors generates both the appearance and the reality of vitality. New structures make the area visually appealing to a degree that could hardly have been anticipated twenty years earlier. Access to cultural and popular events and activities is at a much higher plane than before the MAPS investments. The eating and drinking environment of Bricktown complements the events and has made downtown an attractive place to visit both day and night. There has been a flurry of apartment/condominium development in the study area. The large area between the downtown and the Oklahoma Health Center which had been virtually empty for many years is now full of new multi-family residential structures—most of which are classed as upscale. The massive investments at the Oklahoma Health Center and the St. Anthony complex generate continued growth in health services as well as health-related R&D and biotechnology commercialization. The image of a declining or static central core has been dispelled and it is now OK to be downtown in OKC.

The Four Economies and Linkages

The Traditional Economy

The business and government activities that have been downtown through Oklahoma City's entire history make up the Traditional Economy. These activities are relatively independent of the increased economic activity spurred by MAPS and other major investments in the study area. Retailing, historically a major Traditional Economy activity, has a greatly reduced presence in the study area today. Although many oil companies located downtown appear to find it attractive to be associated with a critical mass of establishments in the same industry, there has also been significant recent investment by such firms in suburban office facilities. Large domestic oil and gas firms have chosen to locate headquarters downtown. City and county offices will surely stay in the central city, and the federal government's emphasis on

central core office location has been a very important feature of recent office building development.

The Health Economy

The study area has two concentrations of health-related activity—the St. Anthony Hospital complex in the MidTown area about ten blocks from downtown, and the Oklahoma Health Center which occupies a large share of the eastern and southeastern part of the study area. This Health Economy is relatively independent of both the downtown Traditional Economy and the Culture/Recreation/Travel Economy.

The Culture/Recreation/Travel Economy

The driving forces in this economy are the MAPS and related investments that attract people downtown. These activities are strongly linked to downtown hotels, parking venues, and to the eating and drinking establishments of Bricktown. Without these attractions, it is doubtful that new hotels would have been built downtown in Bricktown, or that the reconstruction of the old Skirvin Hotel would have been undertaken. While the old warehouse district called Bricktown was already seeing some development in the 1980s, the construction of the AT&T Bricktown Ballpark and the Bricktown Canal with its boat tours were powerful forces generating crowds of visitors ready to spend money at newly-developed eating and drinking establishments. The construction of a new office building to be occupied primarily by the home offices of the SONIC Corporation was clearly linked to its location across the street from the Ballpark and on the Canal. The new 16-screen movie complex is a direct result of the critical mass of recreation and tourism activities in Bricktown. Without the dynamic changes in Bricktown, it is unlikely that developers would have been willing to take the very substantial risk of building the Deep Deuce at Bricktown Apartments. These highly successful apartments “broke the ice” and proved to other investors that new multi-family apartments and condominiums would prove possible in the downtown-Bricktown area. The substantial geographic area between downtown and the Oklahoma Health Center which was virtually empty ten years ago is now filling up with apartments and condominiums.

The Ford Center, the Civic Center Music Hall, and the Oklahoma City Museum of Art have each opened up the study area to the attraction of events and exhibits that simply would not have come to Oklahoma City with its old capital base. The Oklahoma City National Memorial is a unique asset attracting visitors from throughout the world. And the Myriad Gardens and its Crystal Bridge remain the most striking visual element in the entire area. In the MidTown area the new Gaylord-Pickens Oklahoma Heritage Center adds museum facilities. These assets, together with the excitement offered by Bricktown night clubs and restaurants has changed Oklahoma City into a place that is much more acceptable to the young—including young professional adults attracted to both jobs and the milieu.

The Low SES Economy

The residents of the northern part of the study area and of the new upscale apartments and condominiums downtown and in Bricktown exhibit high levels of educational attainment and

income. Elsewhere, residents in the Low SES Economy exhibit high incidence of poverty and reliance on transfer payments, low levels of educational attainment, low attachment to the work force, and even a high incidence of disabilities. Particularly in the case of the homeless, their linkages to the area's other three economies is nonexistent. Through Urban Renewal and other means, blighted residential structures have been removed from major parts of the study area, thus reducing the size of the Low SES population. The presence of a poverty culture in the central core does not distinguish Oklahoma City from most other cities. Fortunately, there has been a reduction in the concentration of poverty in Oklahoma City and elsewhere since 1990.

FINAL OBSERVATIONS

The study concludes with three final observations about trends and cycles affecting central city economies such as Oklahoma City's.

First, it should be remembered that the trend or long-term forces generating urban decay and blight in the central core of Oklahoma City have not disappeared. At the heart of these forces is a natural process of depreciation of housing and commercial buildings, along with the tendency for lower-income residents to move into older, less well-maintained, less expensive housing. These forces are reinforced by the pull of the attractiveness of suburban sites. A main message of this study is that these forces of decay and blight have been beaten back to a remarkable degree with MAPS and other major investments. However, the forces will reassert themselves if the central core fails to continue its growth and development.

Second, the central city, like other economic systems, is subject to fluctuations in the intensity of economic activity. Sometimes these fluctuations are localized results of overinvestment in housing or commercial assets leading to excess capacity. Sometimes the forces of recession and recovery are a reflection of the linkages to the generalized fluctuations in the national or global economies. And sometimes a fluctuation can result from the volatility of a particular industry—as was the case in Oklahoma City during the energy-driven boom and bust of the late 1970s and 1980s. Whatever the causes, a degree of economic instability is inherent in a market economy.

The possible return of expanding urban blight and/or the downside volatility of the study area economy suggest a third concluding observation. The \$3 billion or so of private and public capital investment in the study area since the vote on MAPS represents a massive increase in the area's capital stock, i.e. buildings, equipment, and public infrastructure. These physical assets are, for the most part, here to stay. The assets virtually guarantee that urban blight will not return where it has been eliminated. They also guarantee that there will continue to be incentives for the asset base to be fully utilized in good times and bad. Without the initial stimulus for renewal from the MAPS projects, the contagious spread of investment activities described in this report would not have been ignited.