THE PEARL PROJECT
PUBLIC SAFETY. REAL PLACES.

A Proposal from the Pearl District Association
President: Dr. Leanne Benton
July 2015
Introduction

The award-winning result of many years of work by City officials, consultant engineers and citizen planners, the Pearl Project is a transformative, 21st century solution that makes Tulsans safer, boosts the city’s tax base and helps resolve a number of important challenges that we face as a community and which are priorities in the City’s Comprehensive Plan.

The East Pearl ponds and the 6th. St. conveyance/canal play a major role in resolving Tulsa’s last, major, flood plain system. They will be the catalyst for many hundreds of affordably priced homes, scores of permanent jobs, a stimulus to local business start-ups, and for the reinvention of a safe, walkable, healthy, urban neighborhood at the very heart of Tulsa.

The following therefore proposes the funding of phase two of the Elm Creek Master Plan - the East Pearl ponds and canal. The first of three phases was completed in 2007. A Plan Update was adopted by Tulsa’s City Council in 2008. Design development was completed in 2010.
The Proposal

That the City of Tulsa fund and implement Phase 2 of the Elm Creek Master Plan Update, to include the East Pearl detention ponds and the 6th. Street Conveyance/Canal. The cost for completion of this phase is estimated at $50 million.
What Will This Project Deliver?

When the project is fully implemented in line with the 2010 Elm Creek/6th St. Drainage, Detention and Conveyance Plan, facilitated by other policy initiatives already in progress, our calculations are that it will deliver:

- Public safety benefit (reduced flood damages): $1.40 million p.a.\(^1\)
- Projected increase in sales taxes from households: $2.72 million p.a.\(^2\)
- Projected increase in (City’s) property tax revenues: $1.29 million p.a.\(^3\)
- TOTAL OF THE ABOVE: $5.41 million p.a.

- New homes: up to 1,430 homes
- Net, new homes: approx. 1,290 homes\(^4\)
- New jobs: up to 220 permanent jobs\(^5\)
Why Fund It?

‣ Because it mitigates a real **public safety hazard** that has held back neighborhood redevelopment for decades

‣ Because it creates a **walkable, safe, healthy**, 21st century neighborhood close to downtown and to major employers, with easy access to an improving public transit system

‣ Because it generates a **positive return on investment** of hard-earned tax-payer dollars...

‣ Because it creates the context for well over a **thousand new, affordable, urban homes** in the Pearl District

‣ Because it will generate **scores of new jobs** within walking distance of Downtown, in addition to short-term construction jobs

‣ Because **$400,000** has already been invested in design development based on the Elm Creek Master Plan Update, which was approved in 2008

‣ Because it is a truly **innovative, cost-efficient** and very **marketable** design approach, combining essential flood mitigation with the creation of a very distinctive, urban neighborhood. **Phase 1 has already proven its viability.**

‣ Because it has been proposed for inclusion in bond issues since 2009 - but repeatedly sidelined by larger projects

‣ Because the overall project is the award-winning\(^6\) result of **8 years’ collaboration** involving a diverse group of property owners, residents, City of Tulsa professionals, hydrologists, stormwater planners and landscape architects.
Discussion

From Public Safety Blight… To Thriving Neighborhood

The Pearl Project resolves a public safety issue that has been on the agenda of Tulsa’s Public Works since the 1980s. The design solution makes it also the catalyst for the regeneration of a core, urban neighborhood.

Since 2000 the Pearl District Association has worked with the City and its consultants to pioneer transformative, award-winning approaches to flood plain mitigation design, land use policy, and street design. The first of three major phases of the present project was completed in 2007, and has already demonstrated that the project is viable - in mitigating flooding, boosting private sector investment and stabilizing the neighborhood.

**The project will enable a healthy, walkable, livable and economically vibrant neighborhood of scale. It will spur the creation of many hundreds of new homes (for lease and purchase), and scores of new jobs, within walking distance of downtown Tulsa.**

The project’s design delivers an urban environment to meet a perfect storm of 21st Century challenges faced by Tulsa and many other cities: fiscal sustainability, rapid demographic change, economic transformation, technological paradigm shifts, expensive weather events - including floods, - a health crisis, climate change and growing competitive pressures from a globalized economy.
Downtown and Core Neighborhoods

The future of the Pearl District is symbiotic with Downtown Tulsa’s revival. The Pearl connects Downtown to major employers, educational resources, hospitals and to mid-town Tulsa. The project will also be a catalyst for the regeneration of other, neglected, core neighborhoods whose plans are now in development.

The Pearl Project will reduce downstream flooding in Tracy Park, the ‘Gunboat’ area of downtown, 18th/Boston, and Veterans Park.

In PLANiTULSA, the City’s comprehensive plan development process, Tulsans expressed a strong consensus on our preferred future: it’s about restoring safe, walkable, healthy, transit-friendly neighborhoods. The Pearl Project helps to deliver that.
What Makes The Pearl District An Appropriate Investment Candidate?

The Pearl is the City’s best candidate as the catalyst for Tulsa’s re-invention of the inner city, to deal with 21st century imperatives:

- It is within **walking and cycling distance** of a very high proportion of Tulsa’s jobs, including Downtown and major employers such as the City of Tulsa, Hillcrest Hospital, St. Johns Hospital, Bama Co., Southwest United Industries, University of Tulsa.

- The Pearl Project includes very **substantial housing potential**, which is much-needed.

- **Connectivity:** It is well-connected by key transit routes, and the Bus Rapid Transit route will pass through the center of the neighborhood. The Midland Valley Bike Trail passes along the western boundary.

- The Pearl Project is well-advanced. Whilst many other parts of the City will need years of community planning in order to prepare for new growth, the Pearl Project has been **ready for construction design and implementation** since 2010.

- It complements and **will boost the revitalization momentum** now underway in some areas of Downtown Tulsa.

- The project is a prime example of **‘multi-objective’ design** that should be the hallmark of all public investment.

- “**Neighborhoods adjacent to downtown have a successful track record for revitalization. In American cities, they typically reinvent themselves as lively, affordable, residential communities and thriving entrepreneurial districts. In providing ancillary services and housing near the core, they bolster Downtowns.**” 


How Should This And Other Project Candidates Be Evaluated For The Current Sales Tax Extension Program?

The PDA suggests that (pending development of a true ‘sustainable return on investment’ model) all candidates be evaluated on the following criteria:

**Quantitative Measures**

- Public safety benefit (through, for example, reduced flood damage)
- Projected increase in sales tax receipts
- Projected increase in property tax revenues
- Projected net, new homes
- Projected new jobs created

**Strategic Indicators**

- Consistency with Comprehensive Plan goals and strategies
- Contribution to retaining and attracting young, educated people
- Consistency with macro-economic and environmental imperatives
- The beneficial effect on nearby neighborhoods and districts
- Applicability of the project’s strategy and benefits to other urban neighborhoods
- Contribution to Tulsa’s sustainability goals

**Qualitative Indicators**

- Enhancement of the neighborhood’s aesthetics and ease of use, particularly the public realm
- Contribution to the quality of daily life and sense of well-being of the broadest number of people
Neighborhood Revitalization Strategy

The Pearl District Association grew out of the Central Park Neighborhood Association and its successor, the 6th Street Infill Task Force. It is probably among the most diverse of such associations in Tulsa, and has met regularly since May 2000. In June 2000 we drafted our Mission, which is as relevant today as it was then.

Mission

“To reinvent the art of city life in Tulsa. To develop from the grass roots an urban neighborhood that is diverse, intriguing and charming; that adapts to the new realities of the 21st Century and achieves the character, humanity and convenience of the best, traditional cities; that offers a radical and attractive alternative to suburban living; where it is possible to work, play and shop without recourse to a car; where neighbors work to foster good schools and safe, attractive streets and civic spaces; and where a vibrant, civic environment is matched by enlightened public policies. To achieve all this before it is too late.”

*The 6th St. Infill Task Force, June 2000*

The Pearl District Association seeks to integrate the resolution of several challenges: public safety; the shortage of affordable, quality housing in the city’s core; economic regeneration through locally-owned businesses; fiscal sustainability; a progressive land use policy that enables mixed uses; pedestrian-oriented street design; physical and mental health; and environmental responsibility.

The key to achieving this integration is well-designed, compact, sustainable, mixed-use development, delivering more homes per acre, lower infrastructure costs per capita, and a safe, attractive, livable, well-connected neighborhood that meets everyone’s needs.
Pearl Projects Inventory

The Pearl District Association has helped to deliver the following projects:

- Design of the re-furbished Central/Centennial Park.
- Design of the Central Center in Centennial Park - opened Oct. 2006
- Elm Creek Basin Phase I: Centennial/Central Park (installation completed 2007)
- ‘East & West Pearl’ (Master Plan Update complete in 2008 and adopted by Tulsa City Council)
- Utica Avenue pedestrian improvements (between 6th St. and 11th St.), designed to make life easier in particular for users and residents of The Center for Individuals With Physical Challenges and the nearby Murdock Villa: sidewalk installed 2009.
- East & West Pearl design development completed 2010, including the ‘6th. Street Canal’
- ‘Laura Dester’ site: 4.4 acres at the neighborhood’s core, soon to be acquired by the City of Tulsa. Ready for implementation of the East Pearl pond.
- Peoria crosswalks and streetscaping projects, funded by Central Park TIF. Installed in 2010.

Street Design

The PDA notes that in 2012 the City of Tulsa adopted a ‘Complete Streets’ policy, alongside hundreds of other municipalities and, indeed, entire states. This facilitates the transition from a car-oriented approach to thoroughfare design towards a much more humane and ADA-adapted approach. It would be applied throughout the project area where streets need to be re-instated after works are complete. As part of this we plan to incorporate the provision for ‘Shared Streets’, a proven and progressive approach to pedestrian-friendly street design, into the East Pearl.
Next Steps

Subsequent to allocation of funds the next stage is to initiate detailed engineering drawings for the project, and then move to installation.

It is possible that a Tax Increment Finance District (TIF) will be initiated as a consequence of project funding, in order to reinvest funds in further improvements to the public realm.

TIF income would be derived from the growth in property taxes and sales taxes in the immediate area. Income would begin to flow as new homes come on-stream and new residents become customers of nearby businesses.
Exhibits

Exhibit I: Elm Creek Drainage Basin, Recent History

1986
City of Tulsa Public Works retained Espy, Huston and Associates, Inc., to develop a master drainage plan for the Elm Creek watershed.

1988
1988 Elm Creek Master Drainage Plan is completed.

1999
Mayor Savage’s Infill Task Force recommends ‘hot-housing’ a neighborhood for infill ‘pilot.’

2000
May: 6th St. Infill Task Force is convened.
December: Work starts on Elm Creek planning and design, alongside hydrologists and stormwater planners.

2004
Work on installation of phase 1 in Centennial Park commences.

2006
City Council approves 6th St. Infill Plan unanimously.

2007
Downtown Neighborhood Urban Renewal Plan calls for compact, walkable development.
Completion of ‘The Boathouse’ community center in Central Park.

2008
Phase 1 of Elm Creek basin completed, with installation of the detention pond in Centennial Park.

2009
Elm Creek Update Report provided to City of Tulsa by Swift Engineering.

2010
A series of highly successful Elm Creek Public Hearings.

Design Development stage of Elm Creek Master Plan completed.

Neighborhood residents and property owners have spent fifteen years in continual planning, design, fund-raising and construction alongside City Planners and Public Works. Progressive solutions have already been developed that address problems identified in the 2010 Comprehensive Plan.
Exhibit II: Marketability, or… ‘Will They Come’?

They have already done so. Public investment through the Central Park TIF (which expired in June, 2009) has already leveraged six times its cost in subsequent development, which indicates a willingness to invest in the city’s core.

In tune with demographic trends the project has been designed from the outset to be a catalyst for a very distinctive, viable, livable, pedestrian-focused neighborhood.

The Village At Central Park, a ‘smart growth’ development at the heart of the Pearl District, has proven the feasibility of attracting owner-occupiers to quality homes in the inner city - contrary to the views of almost every local real estate industry professional at the time of its inception.

The transformation and popularity of Central Park itself has also transformed perceptions of the neighborhood’s prospects. Downtown residential availability has grown rapidly in recent years, and demand shows no sign of abating at July 2015.

National demographic trends clearly point to the attractiveness of downtowns and the inner city to singles, baby-boomers and seniors - all growing sectors of society.

Feedback from the general public at public hearings on the Elm Creek designs was extremely positive.

Center-city housing withstood the recession much better than the suburbs, nationally and continues to show significant growth. This is a structural, multi-generational shift.

However care has been and must continue to be taken in terms of design of a high-quality, pedestrian-friendly, transit-rich public realm, learning from benchmark cities and leading practitioners.
Exhibit III: Financial Model Viability

PLANITULSA consultant EcoNorthwest created "prototype developments" for testing the financial viability of proposed land use changes. These prototypes are for mixed-use development - currently prohibited by our zoning codes.

EcoNorthwest used detailed, locally-sourced cost data and financing information to create these development pro formas.9

Several of these mixed-use building types are virtually identical to proposed infill development in the Pearl District Plan, and three have been tested at locations within one mile of the Pearl District (in Kendall Whittier, the Brady District, and Lacy Park).

EcoNorthWest found that developments similar to those proposed in the Pearl are indeed viable provided that (i) Tulsa’s zoning code is amended to permit it, and (ii) in some cases, the City provides modest equity infusions to early projects in the form of ‘patient’, long-term loans.

A description of the kind of investment strategy we envision is cited below.10

Exhibit IV: Elm Creek Plan Costs, Engineering Projections

The 2010 Elm Creek/6th Street Drainage, Detention and Conveyance Plan, Section 8, provides the following estimates for the East Pearl11:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Pearl Ponds</td>
<td>$25,195,190</td>
</tr>
<tr>
<td>6th St. Conveyance &amp; Canal</td>
<td>$11,479,014</td>
</tr>
<tr>
<td>Storm Sewers (incl. west pond)</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Redevelopment Acquisition (total)</td>
<td>$8,849,577</td>
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<tr>
<td>Voluntary Acquisition</td>
<td>$3,400,000</td>
</tr>
<tr>
<td>Total</td>
<td>$51,923,781</td>
</tr>
<tr>
<td>Less allocations to west pond:</td>
<td>($1,500,000)</td>
</tr>
<tr>
<td><strong>Net East Pond Cost</strong></td>
<td><strong>$50,423,781</strong></td>
</tr>
</tbody>
</table>
Exhibit V: Project Evaluation Methodology Discussion

The purpose of the following observations is to highlight the outputs of investments such as that proposed here. We believe that all of the following will flow from it. Importantly each can be measured, either immediately or over time as data is collected.

Whilst evaluations such as Return on Invested Capital (ROIC), Return on Capital Employed (ROCE) have long been applied in the private sector, a parallel in the Public Sector - Sustainable Return on (Public) Investment - is rapidly gaining ground.

The City of Tulsa’s Public Works department presently facilitates decision-making at an operational level by utilizing a ‘Cost: Benefit’ qualifying ratio for flood plain-related projects. No formal criterion for evaluating the ‘return’ is sought for other public investments. The cost-benefit ratio fails to take account of the economic and societal benefits that deliver a measurable, financial return on such investment. It assumes that social and economic conditions remain the same after the infrastructure improvements.

This deficiency has been recognized through the allocation of funding within Improve Our Tulsa for the development of a ‘Sustainable Return On Investment’ methodology to major transportation projects. It is expected that a similar approach is adopted for significant or perhaps all public projects in future.

The following list illustrates measures that might be brought to bear on present and future projects. Measures are allocated to either the ‘enumerator’ or to the ‘denominator’ in the calculation.

It is suggested that the results of these calculations be reviewed on an absolute and per capita basis.

Candidate ‘Enumerator’ Factors:

- **Flood events**: projected savings (calculated by storm water engineers)
- **Sales taxes**: Projected incremental growth arising from households located within the CoT
- **Property taxes**: projected growth from the increased density of population, arising from outstanding urban design and the project’s attractiveness to millennials, baby-boomers and seniors.
- **Utilities**: projected reductions per capita in capital investment
- **Utilities maintenance**: projected cost savings
- **Infrastructure maintenance costs**: reductions arising from increased levels of ‘low-impact’ walking, cycling and transit
- **Medical**: Reduced fatalities from fewer traffic collisions (and the associated costs)
- **Reduced EMSA/Fire servicing costs**: fewer events and shorter distances travelled (a double saving)
- **Mass transit**: Improved financial profile arising from higher ridership - in turn arising from a pedestrian-friendly setting and higher population density;

**Workforce availability**:
- Increased flexibility will arise from a reduced need for a car in a denser, urban setting;
- Greater flexibility to work for parents of small children in a walkable neighborhood with shorter distances between home, work, school and services;
- Improved work attendance levels: arising from easier access to work through better mass transit;
• Lower household costs arising from less expensive travel will percolate to improved, employee performance
• Reduced costs and increased mobility for the physically handicapped.

Reduced policing costs:
• Lower policing gas costs and faster service arising from greater density;
• Suitability of other, low-cost forms of transport – foot, bike, Segways, buses (also leading to fitter police officers);
• Lower levels of property crime owing to easier access to employment, more amenities, for youths and adults alike.

Denominator Factors:
This comprises principally the additional infrastructure investment cost and its annual operational and maintenance costs.

Exhibit VI: The Broader Context
We live in an era of paradigm shifts. The following sketches out some of the major factors that we suggest must be addressed when contemplating public investment candidates.

Environment
Climate change must be taken very seriously into account in every city’s development strategy. Oklahoma is predicted to be among the areas most affected in the United States. Land Use policy, and storm water planning are both fundamental to planning Tulsa’s response to big shifts in weather patterns.

Air and water quality: these are increasingly an environmental, health, social and economic concern, aggravated by current development patterns.

Arable farmland: Its continuing loss to low-density development, despite its importance as a strategic asset for the future.

Economic
Low-density, residential sprawl: generates a negative return on public investment, costing more than it generates in tax-dollars.

The ‘Creative Class’: economic development is dependent on attracting educated young people, including millennials– who are drawn to walkable, livable, sustainable, transit-rich cities.

Societal
Rapidly changing demographics: the US is ‘graying’ and ‘browning’. Single-person households have increased very significantly as a proportion of the population, whilst families have declined.

Current development patterns and policies have led to auto-dependency, food deserts, declining physical and mental health, isolation and to the separation of uses and people.

Tulsa...
Has a static population (at best)
Has very low density (70% lower than L.A.; 40% lower than Dallas)
Has **inadequate** mass transit relative to latent demand. Transit viability and functionality is impaired by low density. In its current configuration it attracts few "choice" riders simply because it is not a choice: it is ‘transportation of last resort’.

Has an **under-invested** urban core: fifty years of steady decline, and twenty years behind other cities.

Has an **over-abundance** of highways that are capable of serving more than double Tulsa’s current population. Tulsans consequently bear a disproportionate infrastructure maintenance tax-burden.

Has a population in **poor health**, with a declining life-expectancy, arising in large part from lack of exercise, auto-dependency and poor diet. (Life-expectancy in North Tulsa is a shocking **fourteen years below** that of south Tulsa.)

Has a hard-pressed public school system suffering from a **stagnant tax-base**.

Continues to **lose sales taxes** to surrounding communities and to online retail.

No longer has the option of expanding further south - even if this were desirable; and lacks the resources to expand infrastructure in other directions (even if this too were desirable).

**Exhibit VII: The Team**

This document incorporates the results of a collaboration between Public Works-appointed hydrologists, storm water engineers, landscape architects, City planners, developers, architects, small businesses and members of the Pearl District Association.

The organizations who participated include: City of Tulsa Planning Dept.; City of Tulsa Public Works; Guy Engineering Services, Inc.; Swift Water Resources; R.D. Flanagan & Associates; Alaback Design Associates; and the Pearl District Association.
References

1 Source: Elm Creek Master Plan Update 2008: Executive Summary, Economic Analysis, p xii.

2 Based on average $868 p.a. sales taxes generated per person. Reverses a downward trend in sales tax revenues since the 1960s.

3 Based on 900sf average home valued at $125,000, paying $1,625 property tax - as estimated by Tulsa County Assessor online tool; 58% of resulting revenues reallocated to CoT.

4 Based on net square footage available, excluding streets, alleys, and assuming average 2.5 floors of housing, at urban densities projected in the Comprehensive Plan.

5 Source: City of Tulsa Comprehensive Plan. Incremental jobs arising from re-development put at 12 jobs per acre.

6 The design and installation of Phase 1 of the project, the detention pond in Central/Centennial Park, was recognized for its design and engineering.

7 John Fregonese, Fregonese Associates, Portland, OR., lead consultant to PlaniTulsa


9 Abe Farkas, of EcoNorthwest, Portland. Detailed results available from Theron Warlick, Sr. Planner, City of Tulsa

10 http://www.brookings.edu/articles/2001/05metropolitanpolicy_leinberger.aspx

11 In 2008 the total project cost for both the East and West Pearl ponds and related infrastructure was put at $58.9 millions by the City’s engineering and design consultants, of which $44 millions would provide the flood-mitigating infrastructure. The balance of $15 millions provided the streets, sidewalks and streetscaping around it, which in turn create the context for compact, walkable, urban housing.


15 American Farmland Trust: ‘Farming at the Edge’ 2004

16 http://www.farmlandinfo.org/documents/27757/FS_COCS_11-02.PDF


18 Suburban Nation (Jeff Speck); Home From Nowhere (James Kunstler); Urban Land Institute

20 http://www.demographia.com/db-uscity98.htm
21 Qualitative feedback from PlaniTulsa workshops 2008-9
22 International Downtown Association report to City of Tulsa, 2009.
23 Evidenced by Fregonese Associates in the course of PlaniTulsa workshops.
24 Fregonese Associates evaluation for PlaniTulsa
25 Tulsa World, March 25, 2008: “In 2006, the Lewin Group, a national health consulting firm, produced a report that compared life expectancy among Tulsa area ZIP codes. People who live in the 74126 ZIP code in north Tulsa were shown to have a 14-year shorter life expectancy than people in midtown or south Tulsa ZIP codes.”