

Executive Summary

As part of cost cutting measures and in support of its economic development initiatives, The City of Tulsa (City) engaged The Staubach Company (Staubach) to create a strategic real estate plan and make recommendations for the acquisition of a new City Hall. This was the first major step to transform the economic center of Tulsa and has resulted in numerous benefits to the City, including significant cost savings, increased operational efficiencies, improved service delivery for constituents, and a more progressive vital image for the City. A key component of the plan is to consolidate and make available for future development several parcels currently owned by the City, including the riverfront and existing City Hall that will be redeveloped into a mix of uses, generating revenue for the City while enhancing quality of life for the community at large.

In June and again in September of 2007, the City Council approved the Mayor's and Staubach's recommendation to purchase an existing 700,000 square foot office building and 1,000 car parking garage. The transaction resulted in savings in two ways. First, the existing relatively new and high tech building was purchased at a substantial discount (approximately \$200 million savings as compared to constructing similarly sized facilities). This acquisition demonstrates fiscal responsibility and illustrates the direction that Tulsa is taking to revitalize downtown and improve the community. Second, in addition to this extraordinary capital asset purchase, the operating cost savings created through a unique financing arrangement with the Bank of Oklahoma will be in excess of \$1 million per year. The new City Hall provides Tulsa with a state of the art building that is both technologically advanced and environmentally responsible. The use of the

building's existing high technology infrastructure will allow the City to meet its constituents' needs faster, improving the delivery of services, while the green building will offer City employees a clean and healthy environment in which to work. The move single handedly reduced costs, improved working conditions for City employees and will enhance visitors and constituents' experience with local government.

The former City Hall is envisioned to be demolished with plans to construct a new convention center hotel in its place. This will promote an emerging convention and tourism business in Tulsa and add new jobs to the community. The hotel will provide visitors easy access to the new BOK Center, an 18,000 seat arena set to open in the fall of 2009. Three other vacated sites, including a large site on the Tulsa waterfront, are planned to be redeveloped offering residents housing, recreation and retail/shopping opportunities in emerging areas of the City. Tulsa's East Village redevelopment will foster new cultural experiences for visitors and residents and promote tourism enhancing the quality of life for all who call Tulsa home.

Many cities and towns across the United States have underutilized real estate assets that can be redeployed to better serve their constituents. The partnership developed between the City of Tulsa, Staubach and the Bank of Oklahoma can be replicated almost anywhere. Please see the following pages for a detailed description of how the partnership between the City of Tulsa and The Staubach Company has provided operational savings, promoted economic development and improved the quality of life for the greater Tulsa community at large.