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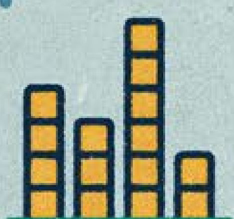

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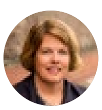

CINDY HAMILTON, HERITAGE CONSULTING GROUP

When the National Trust for Historic Preservation selected Tulsa, Oklahoma, to host its annual conference in 2008, the city may have seemed an odd choice.

Although downtown Tulsa has a rich architectural heritage—including dozens of Art Deco landmarks—the state's historic tax credit (HTC) program was only 2 years old and there were few results to show for it. In the decades before the state HTC was established, developers rehabilitated and redeveloped individual buildings with some success, but Tulsa had few financial incentives to catalyze large-scale revitalization of the city's historic core.

Images courtesy of: Brad Finch, f-stop Photography
The Tulsa Club Hotel Ballroom, shown here in before and after photos, was renovated with federal and state historic tax credits in 2019.

The conference proved to be a game-changer. As the city hosted hundreds of preservation professionals and enthusiasts from around the country, local advocates and city officials showed off the city to out-of-towners, growing more ambitious in their drive to use historic preservation as an economic development tool. In the years that followed, Tulsa took full advantage of both state and federal HTCs, becoming in the process a model for how midsized cities can capitalize on their historic buildings to redefine their future.

Oklahoma's HTC

Once Oklahoma established a state HTC in 2006, developers recognized it as one of the most efficient state HTCs in the country. Oklahoma's 20% credit piggybacks on the federal 20% credit, amounting to a generous and—even more valuable—predictable 40% incentive for developers. Moreover, the state program requires no additional application beyond the federal process, and credits are issued following receipt of the federal Part 3 approval, a cost certification and an approved certificate of occupancy. This streamlining has a massive impact on the development process, reducing administrative burdens and points of risk in the HTC timeline. Oklahoma designed its state HTC to make rehabilitation financing as accessible and reliable as possible.

> **And just like that … Two hundred and thirty buildings and structures in downtown Tulsa were eligible for up to 40% tax credits for certified rehabilitation expenses. It truly was a game-changer.**
>
> *-Amanda DeCort, Oklahoma city's former historic preservation planner*

In Tulsa, developers took notice. Yet, even with a streamlined credit, they still needed to clear the first hurdle for federal HTC eligibility: designation to the National Register of Historic Places. To establish eligibility for as many properties as possible, the city applied for a grant from the Oklahoma state historic preservation office (SHPO) to survey downtown Tulsa and identify all eligible historic buildings and districts. The city made such a convincing case for itself—and the significance of its building stock—that it was able to secure grant funds not only from the SHPO, but also from the National Trust for Historic Preservation. Tulsa's city government chipped in the remaining matching funds. "This was a huge deal for Tulsa," said Amanda DeCort, the city's former historic preservation planner who staffed the Tulsa Preservation Commission at the time and spearheaded the survey initiative.

Surveying the Opportunities

With the funds in hand, DeCort's office hired Elizabeth Rosin (who led Rosin Preservation at the time) and Cathy Ambler to complete the survey. After eight months of trekking around downtown, Rosin and Ambler identified 14 potential historic districts that encompassed 142 contributing resources and 88 individually eligible buildings. "And just like that," DeCort said, "Two hundred and thirty buildings and structures in downtown Tulsa were eligible for up to 40% tax credits for certified rehabilitation expenses. It truly was a game-changer."

Over the next few years, the Tulsa Preservation Commission methodically and strategically made its way through the survey results, nominating the downtown districts most likely to use HTCs. When they weren't preparing district nominations, city staff took their pitch on the road to promote and demystify the HTC programs for potential developers and investors. With each successful rehabilitation project, their job became easier; as high-profile buildings were brought back to life, the HTC programs proved their worth.

Measuring the Results

By 2016, there was enough anecdotal evidence of HTC success in Oklahoma that the nonprofit Tulsa Foundation for Architecture commissioned an economic impact study from PlaceEconomics to measure the true results of the credit. The study found that 77 historic building rehabilitations had been completed throughout the state using state HTCs. The credit had attracted more than $415 million in rehabilitation expenditures and total project investment to date totaled $520 million. This also meant that in less than a decade since the creation of the state's HTC, the program had already generated nearly $167 million in direct wages and salaries and created 3,232 direct jobs.

Although PlaceEconomics found that 18 counties throughout Oklahoma benefited from state HTC investment, the study made clear that Tulsa led the way in rehabilitation activity. The city accounted for nearly a quarter (23.4%) of the state activity by that time, amounting to more than $230 million in private capital investment. Tulsa had clearly become a focal point for historic preservation in the state and a model for midsized cities throughout the country.

Success Stories

On the ground, these results were visible in Tulsa. For decades, the city's building stock was considered economically infeasible for reuse. Boosted by the state and federal HTCs, however, the city saw several prominent buildings come back online as private and public developers alike took advantage of the new, crucial source of equity.

The Philtower building was one of the earliest examples of state HTC success. With a striking polychromatic tile roof, the 1928 skyscraper is one of the most recognizable buildings on Tulsa's skyline. Its rehabilitation by the Hawkins family made it an early advertisement for the state HTC's impact. The office tower's conversion into apartments added more life to the Deco District after 5 p.m. and paved the way for other rehabilitation projects to follow—which they quickly did.

A few blocks away, the rehabbed ARCO Building introduced another 72 market-rate residential units into the downtown. Designed in the Art Deco style by noted architect Leon Senter and built in 1949 for the Service Pipeline Corporation, the building was redeveloped by Price Family Properties. The resulting residences feature modern amenities such as private patios and basement parking alongside desirable historic details including stone-clad lobbies, decorative terra cotta detailing and original storefronts. This blend of old and new was made possible only through HTC equity, which offset high restoration costs and helped bring this underused building back to productive use in downtown Tulsa.

In addition to residential HTC projects that sparked a 25% growth in downtown residents, Tulsa has seen an influx of visitors drawn by attractions housed in rehabilitated buildings who enjoy staying in downtown hotels developed using HTCs. One of the first new downtown hotels was the Mayo Hotel, a classic historic hotel from 1925 that was refurbished using HTC equity. Others, including the Tulsa Club Hotel, adaptively reused historic commercial buildings to provide new lodging options. The Tulsa Club, which opened in 1927, was an early work by renowned architect Bruce Goff. It had offices for the Tulsa Chamber of Commerce on the lower floors and social spaces for the Tulsa Club on the upper floors, where members could enjoy business lunches and evening social events. During two decades of vacancy, the building experienced vandalism, fire and neglect. The pairing of state and federal HTCs made possible the stunning rehabilitation that was completed by the Ross Group in 2019.

It is not just private developers who have capitalized on HTCs in the city. The Tulsa Housing Authority (THA) made extensive use of HTCs to preserve and modernize its aging housing stock while maintaining affordability. At Pioneer Plaza, for example, the THA was able to use HTCs to replace all of the building systems while preserving key architectural features in the Modern Movement building. The result is a sensitively updated tower that respects the building's midcentury character while significantly improving livability for the building's low-income senior residents.

Even with tougher economic headwinds in the country, HTCs can help offset the challenges. At the Sinclair Building, for example, HTCs made it possible for the Ross Group to redevelop the vacant 1917 building for 64 units of residential use. Using HTCs, the developers retained the distinctive terrazzo floors, classical detailing and historic masonry even as they introduced critical life safety improvements and modern mechanical systems. Now, as his company leases up the units, Warren Ross notes the cushion that HTCs offer to their bottom line. “We have 18 months of runway due to historic tax credits,” he said.

Conclusion

Oklahoma’s state HTC will mark its 20th year in 2026. In that time, Tulsa, in particular, has used the state HTC to catalyze large-scale urban revitalization. Projects that would not have been financially viable two decades ago are now complete or underway thanks to the critical equity provided by the HTCs. Tulsa’s experience demonstrates that HTCs are not simply incentives; they are essential tools for driving equitably, economically viable preservation, perhaps especially in midsized cities.

After two decades of tangible results, perhaps no one is better positioned to comment on the state HTC’s changemaker status than Amanda DeCort, the city’s former preservation planner.

“It took a few years for Tulsa to begin embracing historic preservation as an economic development tool,” she said. “But it never would have happened without the HTC program to make a few banner projects pencil. I firmly believe that the historic tax credits played a starring role in bringing downtown Tulsa back to life.”

Cindy Hamilton is president of Heritage Consulting Group.

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