Contents

About the Roadmap to Redevelopment .................................................................................................................. 4
Background & History ............................................................................................................................................... 5
Recommendations ................................................................................................................................................... 6
  Part I: Relocating the WATCO Rail Yard ............................................................................................................. 6
  Part II: Implementing a Site Cleanup Plan ........................................................................................................ 7
  Part III: Supporting a Tax Increment Financing District (TIF) ....................................................................... 8
  Part IV: Supporting a Special Assessment District Overlay ........................................................................... 8
  Part V: Staging for Development .................................................................................................................... 8
  Part VI: Planning for Evans-Fintube Improvements ......................................................................................... 10
Additional Resources ........................................................................................................................................ 12
Acknowledgements ............................................................................................................................................. 13
About the Authors ............................................................................................................................................... 14
About the Roadmap to Redevelopment

The Roadmap to Redevelopment is a product of the CDFA Brownfields Technical Assistance Program, which is funded through a grant from the U.S. Environmental Protection Agency. The program provides technical assistance to brownfields communities on redevelopment finance. For communities that require detailed, hands-on assistance for their redevelopment efforts, CDFA Brownfields Project Response Teams comprised of CDFA staff and technical assistance partners are available to conduct site visits and provide recommendations. The goal of these visits is to offer communities specific, actionable advice that can transform brownfields into economically-productive sites in accordance with the goals and plans of the community. CDFA will coordinate 36 Brownfields Project Response Teams over the life of the program.

The Roadmap to Redevelopment was developed through a three-day process that included interviews with numerous stakeholders from the government, business, and non-profit sectors. The plan provides a framework for the redevelopment of the Evans-Fintube site in Tulsa, OK.

The Roadmap to Redevelopment’s recommendations combine the input of development finance experts, CDFA staff, and the interests of stakeholder groups gathered during the Project Response Team site visit. The plan articulates six recommendations in order to better facilitate the redevelopment of the Evans-Fintube site.

I. Relocating the WATCO Rail Yard
II. Implementing Site Cleanup Plan
III. Supporting a Tax Increment Finance District
IV. Supporting a Special Assessment District Overlay
V. Staging for Development
VI. Planning for Evans-Fintube Redevelopment

In accepting the CDFA Project Response Team’s assistance, the City of Tulsa has committed to making best efforts to consider and implement these recommendations. Likewise, CDFA will continue to provide the City with access to brownfields resources and assistance to move the project forward.
Background & History

The Evans-Fintube site covers approximately 22.3 acres along the 100 block of North Lansing Road. The Evans building, also known as the Oklahoma Iron Works/Bethlehem Supply Company Building, was formerly a steel manufacturing facility that contained a foundry. The Fintube building once housed a metal manufacturing facility.

Built in 1911 and expanded extensively over the next 27 years, the Evans building was once the largest manufacturing facility in Tulsa.\(^1\) The Evans-Fintube site was originally part of a larger, 30-acre site that was acquired by Oklahoma Iron Works in 1911 and became home to the Bethlehem Supply Company in late 1938.\(^2\) In 1961, when the plant closed, it held more than 10 percent of the world’s market for oil pumping equipment.\(^3\) Throughout the years, the site has held more than a dozen industrial buildings and structures, most of which have been removed.\(^4\) Most recently, the site has been used as a scrap metal recycling facility and storage yard.

In December 2014, the Evans building was placed on the National Register of Historic Places. As of August 2015, the City of Tulsa owns the property and leases it to a construction company for warehousing construction materials and equipment.

The site is located adjacent to a small rail yard, which is currently being used primarily for storage. It lies just north of Downtown separated only by Interstate 244. The site is also in close proximity to Tulsa’s ONEOK baseball field and Brady Arts District. Other nearby properties include OSU-Tulsa and the Historic Greenwood District.


Recommendations

Part I: Relocating the WATCO Rail Yard

i. Work to remove the hazardous use of rail yard adjacent to the Evans-Fintube site

The current use of the neighboring rail yard poses an environmental and public health risk to the surrounding community and is not in accordance with the use anticipated by the City. The City should work to identify the potential liability associated with an unintended release of materials from the facility that could cause harm to the surrounding community. By quantifying the potential risk posed to the current owners, the City could encourage the rail yard owners to stop or relocate their operation’s hazardous use.

ii. Explore mutually-beneficial relocation opportunities between the City and WATCO

The rail yard is viewed as an impediment to the future development of the site. Through working with rail yard owners, the city can play a critical role in the removal or relocation of the rail yard by addressing the current non-conforming use of the site and help identify the costs associated with the move.

Both the City and WATCO have expressed a mutual interest in relocating the existing rail yard. The City should explore opportunities for a land swap with the rail yard owners to help offset the cost associated with relocation. In this case, the City should consider taking ownership of the land on which the existing rail yard sits in exchange for City owned property to be determined by both parties.

The relocation or removal of the rail yard would add approximately 24 acres of developable land to the Evan-Fintube site and make any future development more feasible to a variety of uses.

iii. Pursue available financing for rail yard relocation

In addition to city appropriations or TIF revenues, the City and Railroad may be able to access special federal funds to help with the relocation.

The Federal Railroad Administration offers several competitive discretionary programs available for the relocation of rail lines that provide financial assistance, such as the Rail Line Relocation & Improvement Capital Grant Program (RLR).

The Transportation Infrastructure Finance and Innovation Act (TIFIA) provides Federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit. Typically, TIFIA requires large surface transportation projects with costs of over $50 million, and covers less than 33 percent of eligible project costs. State and local governments, as well as private
firms, are eligible to apply. Public or private highway, transit, rail and port projects are eligible to apply for TIFIA assistance.\(^5\)

**Part II: Implementing a Site Cleanup Plan**

i. **Utilize existing U.S. Environmental Protection Agency (EPA) cleanup funds**

The City has been awarded three U.S. EPA Brownfields Cleanup grants totaling $600,000 for the Evans-Fintube site that are subject to expiration if not utilized within three years. The City has been reasonably delaying their use of the awards until a redevelopment plan for the site could be firmly established.

Rather than risk losing access to the funds, however, the City should begin to use their grants to remediate the property for those uses that are most desired by the community and developer(s). During discussions with the City and stakeholders, there appeared to be a consensus for attempting to reuse the existing historic structure. With this direction chosen, City staff now have enough of a plan to initiate cleanup of the site. The City should therefore capitalize on the existing cleanup funds and begin the process to rehabilitate the building and cap the grounds on and around the Evans building that will prime the site for future development. Prior to cleanup, the site must be vacant; the City should not renew the lease for the construction equipment storage currently being held on site, and plan for cleanup accordingly.

Given that the total cost of remediation is relatively small in relation to the potential benefit of future development, a clear public benefit exists that could justify the use of additional City resources to leverage redevelopment. Once the site and remediation is tied to a clear development activity that would generate revenue (whether in the form of taxes, fees or loan payments), the City should consider directing a portion of their U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant allocation in the form of a HUD 108 loan to fill the current financing gap associated with cleanup costs. The total cost for cleanup has been estimated at about $3 million; however, this total may be reduced depending on the nature of the cleanup.

ii. **Investigate cost recovery from former site owners**

For sites polluted prior to the 1980s, insurance policies may cover the costs of environmental remediation. In this case, cleanup costs (estimated at $3 million for full remediation) may be too low for insurance recovery to be worth pursuing, as a $1 million deductible exists for most insurance cost recovery policies. However, the City could explore directly pursuing the former polluting site owners to determine if liability for cleanup costs can be established.

Part III: Supporting a Tax Increment Financing District (TIF)

i. Designate TIF district that incorporates Evans-Fintube site and surrounding East Village area

The current economic activity that is occurring within and around the East Village neighborhood presents a great opportunity to catalyze future development in and directly around the Inner Dispersal Loop (IDL). The City should establish a new tax increment financing district that will capture existing revenue that can be directed toward the future development costs of the Evans-Fintube site. Once redeveloped, the Evans-Fintube site will in turn create a stream of revenue that can flow back to the project and the new TIF district.

ii. Amend current TIF policy

The City should work to amend their current TIF policy to reflect the Oklahoma TIF statutes that increase the length of the district and allow for other ad valorem taxes to be captured.

Part IV: Supporting a Special Assessment District Overlay

i. Create individual special assessment district for Evans-Fintube site

The City should explore the implementation of a special assessment district specifically for the Evans-Fintube site. This district will work in conjunction with a tax increment financing district to provide further revenues for the project’s redevelopment, including capital improvements. The exact nature of the assessment—e.g., property tax, sales tax, fee-based—should be determined once a final site plan is in place.

Part V: Staging for Development

i. Establish financing criteria for future developers

The following is a list of items that should be considered when selecting a developer. This list is intended to help city staff evaluate whether the project meets the goals of the City and is appropriate for the site.

- Thorough review of developer’s financing plan and sources
- Gauge the cost of incentives the developer is asking for vs. future revenue projected
- Evaluation of the developer’s performance bonding capacity
- Understanding of developer’s experience with similar projects
- Consider whether the proposed retail component of the development is adequate and desirable for tax revenue generation and return-on-investment
- Balance need for housing with desire to maximize return-on-investment
- Consider inclusion of the WATCO rail yard site and connections to the campus property
- Request a third-party market study related to the proposal
ii. Pursue feasibility study

In order to better understand the financing gap associated with future development and the potential use for the Evans-Fintube site, the City should commission an economic or market feasibility study.

iii. Explore opportunities to retain ownership of Evans-Fintube site

By retaining ownership of the Evans-Fintube site, the City may be able to capture additional lease revenue of future development that may be lost if the property is sold. As plans for the development of the property progress, the City and developer(s) should work together to determine the ownership structure that will best leverage resources for the redevelopment and long-term success of the site.

Evans Electric Building: Wood bricks absorbed the shock from pounding metal at the foundry.
Part VI: Planning for Evans-Fintube Site Improvements

i. Increase access and circulation

The WATCO rail yard, Interstate 244, and US-75 all act as impediments to redevelopment for Evans-Fintube. The City can play a critical role in spurring development by increasing access to the site through pedestrian bridges that will connect the OSU Tulsa and Langston University campuses. This improvement will give the site ready access to students as a potential client base.

The current condition of Archer Street and the I-244 underpass are both real and perceived roadblocks to the Evans-Fintube redevelopment. The City should consider sidewalks, crosswalks, signage, public art projects, and other streetscaping along Archer Street and under the I-244 underpass to connect downtown with North Tulsa. Such improvements would encourage downtown residents and clients to engage with businesses in the shops, and improve the livability for any residents at the project site.

The project team concurs with recent proposals suggesting that I-75 access, at least as currently conceived, would be too capital- and land-intensive to pursue at this time.

ii. Cultivate an environment that includes the Evans-Fintube site as part of the downtown

Numerous stakeholders expressed their desire to see Evans-Fintube, and other properties that fall just outside of the IDL, be included as part of the downtown community. Despite being separated by I-244, the Evans-Fintube site is a strategic point that can bridge a connection between North Tulsa and Downtown and has the potential to act as a vital addition to economic activity in both areas. Actions to be considered to move toward this goal are to make the walkability improvements discussed under “increase access and circulation” and to talk about and advertise the area as part of the Tulsa Downtown.
iii. Pursue Alternate Financing Options

Below are several financing mechanisms that may help leverage the redevelopment of the Evans-Fintube site and fill a portion of the financing gap associated with the project.

- Historic Tax Credits—The Evans building is eligible to receive 20 percent federal \textit{and} 20 percent state income tax credits that will help leverage private investment.

- USDA Food Desert Grants—Evans-Fintube is located in a USDA designated food desert, which makes it eligible for USDA grant funding.

- New Markets Tax Credits (NMTC)—Evans-Fintube is eligible for NMTC investment (and development addressing the food desert may receive additional consideration).

- TIGER Grant—The City should continue to pursue TIGER grant funding to provide infrastructure and transportation focused improvements for Evans-Fintube, however, these efforts should not postpone any otherwise feasible and favorable redevelopment of the site.

- State Tax Credits for Energy—The City could encourage proposals that have a sustainable energy component to access state tax credits for renewable energy.

- USDA—Based on discussions with stakeholders about future or temporary use for the Evans building, such as using it as a farmers’ market or food hub, the City should pursue funds for farmers’ markets, grants or low interest loans.
Additional Resources

As the City of Tulsa works through the recommendations in this plan, the following resources may provide useful information.


CDFA Brownfields Financing Toolkit |

Tax Increment Financing |

Combining and Leveraging TIF with Other Tools |

TIFIA Program Guide |

Federal Railroad Administration Grants & Loans |
[https://www.fra.dot.gov/Page/P0021](https://www.fra.dot.gov/Page/P0021)

Oklahoma State Tax Incentives |

USDA Food Desert Map |
Acknowledgements

A Project Response Team site visit requires a significant commitment of time and resources. The authors would like to recognize the commitments of many individuals throughout this process. The authors would like to thank the following individuals and organizations for their involvement:

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The *Roadmap to Redevelopment Plan* was authored by the Council of Development Finance Agencies (CDFA), a national association dedicated to the advancement of development finance concerns and interests. Learn more about CDFA at [www.cdfa.net](http://www.cdfa.net).

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- Jason Rittenberg, Director, Research & Advisory Services
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CDFA was advised during the Brownfields Project Response Team site visit by a team of technical assistance advisors:

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The Council of Development Finance Agencies is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation’s leading and most knowledgeable members of the development finance community representing public, private and non-profit entities alike. For more information about CDFA, visit www.cdfa.net or e-mail info@cdfa.net.

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