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## City looks to build downtown convention center headquarters

Project hopes to be completed by 2029

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A conceptual rendering shows plans for a new 650-room hotel in downtown within walking distance of the Cox business Convention Center. No new taxes would be levied in Tulsa to pay for the project, officials say.

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**T**he city is expected to issue requests for qualifications within four to six weeks to developers interested in building a 650-room convention center headquarters hotel downtown with the goal of having it up and running in 2029. "We're losing business today, and that's the biggest thing," said Keller Taylor, general manager of the BOK Center and Cox Business Convention Center. "Meeting planners come into the market, and they love a lot of things about Tulsa, like a lot of us do, but then the walkable hotel rooms are really the thing that we lack."

City leaders have been laying the groundwork for the project since they rolled out the Arena District Master Plan in 2019. The document recommends that the hotel be built next to the Cox Business Convention Center on the site of the Police Courts Building downtown, which the city plans to demolish when the Police Department moves into the new Public Safety Center in southeast Tulsa.

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The city lost out on 154 events between July 1, 2023, and June 30, 2024, because of several factors, according to a Tulsa Regional Tourism report presented to the Tulsa Public Facilities Authority earlier this month.

Renee McKenney, president of Tulsa Regional Tourism, said the primary reasons for the lost business were the lack of entertainment and dining options outside the convention center and that no hotels were within walking distance with room blocks sufficient to host major conventions.

"We invested in a feasibility study where the findings showed that for us, just to be competitive and in the game for the convention business, we needed to have a 650-room hotel," McKenney said.

A separate report from Hunden Partners found that Tulsa has 1,014 rooms within walking distance of the Cox Business Convention Center while the city's competitors have an average of 2,970 rooms within walking distance of their convention centers.

"A convention center without a headquarters hotel is like an arena without half its seats and restrooms and concession stands, because it's a key component of being able to host major events," said Robin Hunden, CEO of Hunden Partners, a destination real estate development company.

Tulsa Regional Tourism has contracted with Hunden Partners to assist in preparing the request for qualifications and the request for proposals that will follow.

"Concerts don't need that because of the nature and kind of an activity," Hunden said. "Conventions definitely need it because it's a multi-overnight activity, and the meeting attendees and meeting planners ... want to be 100% on site and connected to the meetings venue with their hotel so that they can be efficient, and they just don't want to traipse all over town."

Another key amenity the new headquarters convention hotel would provide is something the Cox Business Convention Center lacks: enough divisible meeting space, Taylor said.

"We have 19 meeting rooms, depending on how you break them up. And typically you're going to need 30, 40-plus for a lot of these larger groups," Taylor said. "And so an important part of this hotel package, in addition to being 650 rooms, is that they're probably going to end up with 50,000 to 60,000 square feet of subdivisible meeting space that will complement the convention center, and that would be really, really critical for us to be able to capture some of that lost business that we've seen in the past."

McKenney said the project is estimated to cost \$390 million. It would be funded through a variety of potential sources, including the hotel/motel tax paid by guests of the convention hotel, development incentives such as a tax increment finance district, state incentives and money invested by the developer.

McKenney said the city intends to use a funding model similar to the one used to build the Omni Hotel in Oklahoma City and that no new taxes would be levied in Tulsa to pay for the project.

"This investment has been so successful in other cities as being a revenue source for the city," McKenney said. "It will give back to the community not only a place they can host events, but,

also, it is an economic engine for the city."

According to a Hunden Partners analysis, the project would generate \$1.6 billion in new spending, \$61.3 million in local tax revenue and more than 400 new permanent jobs over the next 25 years.

Hunden said the details of the funding package won't be nailed down until the city has selected a developer and negotiates a deal, a process that is expected to extend into spring. But he did offer a general sense of how funding typically works for the kind of hotel Tulsa is hoping to land.

"The public sector incentive for any headquarters hotel around the country is going to be from usually 30% to 50% these days," Hunden said. "With construction costs being what they are, interest rates being what they are, it's closer to that 40% to 50% range of total cost is what the incentive typically has to be, which means, of course, that the private sector is coming with 50% to 70% of the money."

Hunden said it was important to remember that "anything that's coming out in terms of (financial) incentives for the developer is coming from the project itself."

Erran Persley, economic development director for the city of Tulsa, said the project would help bring vibrancy to the Arena District and spur development far beyond downtown.

"In my vision, this is us trying to have the best Tulsa we can have and be competitive," Persley said. "And not looking at being competitive with one particular place, but being competitive nationally and globally to attract new conventions, new visitors to our city. That's the Tulsa thing."

Macy Snyder-Amatucci, president of Brickhugger LLC, whose Mayo and Aloft hotels are no more than two blocks from the proposed site of the convention center headquarters hotel, said she would be glad to see it built.

"You can see anytime we have had large conventions, BOK concerts, anything that brings travelers in from the outside, it shows (in) increased sales tax revenues," Snyder-Amatucci said. "Obviously, it benefits the hotels, but it benefits the restaurants and, really, the entire city. ...

"We've seen that with PGA. We've seen that with Bass Masters, NCAA, because Tulsa is still going to have the regular business it has for the day and then you add those extra rooms so that compression does go to the outskirts hotels in other areas of Tulsa."

A city spokesperson said Friday that the city still intends to purchase the former State Farm Insurance headquarters campus for use as the new Public Safety Center.

The City Council is scheduled in early September to approve the sale of bonds to fund the project.

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