



John Bumgarner

Real Estate Entrepreneur, Founder of
BAM Properties

Chapter 1 – Introduction

Announcer: The Bumgarner family has deep roots in Tulsa that began in 1903 when John’s grandfather, A.A.Bumgarner, came to Tulsa and established a grocery store at 15 East 2nd Street.

A.A. was successful in business and established a family tradition of community service through his work as a board member for Tulsa Public Schools. The cornerstone of the old Central High School building at 6th & Cincinnati bears his name as chairman of the building committee.

In 1987, John Bumgarner was a senior executive with the Williams Companies when he successfully acquired the 320 South Boston and Kennedy buildings thus joining his grandfather in connecting the Bumgarner name to historically significant properties of Tulsa’s oil boom era.

His ownership of 320 and Kennedy opened an unexpected opportunity in 2011 when John and Chris submitted a winning bid for ownership of the Mid-Continent Tower in a competitive, court-administered auction with several bidders.

John talks about his family history, his days with the Getty and Skelly oil companies, the Williams Companies, and how his career led to the ownership of iconic downtown Tulsa properties on the Voices of Oklahoma podcast and website VoicesOfOklahoma.com.

Chapter 2 – 8:45 Bumgarner Family

John Erling (JE): My name is John Erling and today's date is October 24th, 2019. So, John, would you state your full name, please?

John Bumgarner (JB): John Carson Bumgarner, Jr.

JE: All right. When you say “Bumgarner,” there was a guy by the name of James Garner. Well, I think it was a Bumgarner.

JB: That's correct.

JE: From Norman, Oklahoma and an actor. So, are you a second cousin to him? And you have acting abilities or what?

JB: No, I'm not sure. I was on a plane — this is several years ago — I was on a plane to Los Angeles, and it stopped in Oklahoma City on its way to Los Angeles, and James Garner got on and he sat behind me on the window; I was on the aisle. And so I took out my business card and scribbled on the back: “How come you got all that looks and the money?”

And that started the conversation.

And so we kind of switched seats until we were sitting next to each other and, we for 2.5 hours on the way to Los Angeles, we tried to figure out if we were related or not. And it finally came down to an aunt of his that had a book and it had the names of several cousins and nephews and so forth. And beside one of them, she just wrote: “a Democrat.” And we thought, “Well, perhaps that could be.”

JE: So there's no relationship?

JB: There probably is because his family came out of the Ohio Valley and that's where mine came out of. So there probably is some relationship.

JE: And then there's Madison Bumgarner, pitcher for the San Francisco Giants.

JB: Well, we'd all like to be related to him because he's a terrific athlete. But he has a special place in my heart because he gave his wife, for a wedding present, a very valuable wedding present. It was a cow.

Yeah. Well, they're from a town in North Carolina. Which — the Bumgarners either went to Ohio or they went south of North Carolina. And there's a village there called Bummyville. And there's a lot of Bumgarners there. And he, of course, was one of them, and a very famous pitcher. But when he got married, this cow, I understand, was enormously valuable. But that was the wedding present.

JE: Wow.

JB: So he'll always be remembered in our family as having interesting taste.

JE: And he must have known that his wife liked cows.

JB: I think she was in on the game. Yeah, yeah.

JE: Your date of birth?

JB: May 2, 1942.

JE: So your present age is?

JB: 77.

JE: And where are we recording this interview?

JB: This is at the Utica Plaza conference room, which was formerly an attic, and we converted it to an office.

JE: And at the corner of 21st and Utica.

JB: And at the corner of 21st of Utica, diagonally across from Saint John Hospital.

JE: Where were you born?

JB: I was born in Saint John Hospital.

JE: All right, let's talk about your parents. Your mother's name, maiden name, and what kind of a person she was.

JB: Her maiden name was Susan Nall: N-A-L-L. She was a terrific homemaker, a great cook, and in hindsight, a good disciplinarian.

JE: (Chuckling) In hindsight? And her personality then was ... outgoing?

JB: Yes, it was. And she was a hard worker. She was punctual. She was disciplined. She was steady-as-you-go.

JE: Your father's name?

JB: Yeah. Well, I'm a junior. So his name was the same as mine: John Carson Bumgarner. He was born in Tulsa, went to Central High, and then went to University of Tulsa the first year on a tennis scholarship. And then he

transferred to Illinois, also on a tennis scholarship. He was a pretty good tennis player.

JE: So, you do have athleticism in your family.

JB: Well, yes, some; a little bit.

JE: And what was his personality like as you were growing up?

JB: He was a very good student. He became an accountant. He worked for some of the best accounting firms, and worked for Fred Lawson's firm here in Tulsa, and ended up working for [unintelligible] after we came back from Wichita.

He was hired in '44 to work in Wichita for Fred Koch. And he was basically Fred Koch's numbers man. This was, of course, back before Fred Koch's empire became as valuable as it is today. And we lived in Wichita for 10 years.

JE: You draw anything from your parents that you think about today that strikes you?

JB: Well, my dad was probably one of the most honest people you'd ever know. He was so honest — our family's all been Presbyterians. He was so honest that after he retired, the Boston Avenue people hired him to keep their books.

JE: A Methodist will hire a Presbyterian?

JB: Yeah. But for a very specific purpose, I mean, to keep their financial books, which he did.

JE: Any brothers and sisters you have?

JB: I had a sister. She's passed away. She was a fine arts lady — artist — and her career was that of interior design. She and her husband moved to Chicago, and then back to Dallas, and that's kind of where she ended up. She had a nice career as an interior designer.

JE: And her name?

JB: Her name was Betty.

JE: Now, let's go back to your grandfather.

JB: Okay.

JE: What was your grandfather's name?

JB: On the father's side it was Aaron. Aaron Bumgarner.

JE: Alright. Also known as A.A.Bumgarner?

JB: Right.

JE: Right. And when did he come to Tulsa?

JB: He came to Tulsa in the early 1900s. He was in the mercantile business, grocery business. He got clobbered in the recession — or depression rather. He had a lot of receivables and anybody that had receivables in the depression had bad receivables. He came out of it. He was a democrat. My grandmother was a staunch republican, and he had to go on the porch to talk about politics and smoke cigars. He couldn't smoke cigars or talk about politics in the house. They would go to the polls and cancel each other's vote and smile.

JE: Do you remember them?

JB: I do.

JE: And so you remember both of them, then? Did they take an interest in you?

JB: Yeah. Most grandparents do.

JE: But he became involved in the community.

JB: Oh, he did. He came from eastern Kansas. Somewhere between Pittsburgh and Independence, there's a small, small town. My grandmother was the daughter of a famous guy up there. He's always been a huge believer in education and he got involved in Tulsa's education, and he was on the school board, and he was the chairman of the building committee that built Tulsa Central — the current Tulsa, I mean, the PSO Tulsa Central.

In 1882 there was a Presbyterian Mission school for Indians on 4th & Boston. And then, subsequently, they had that town grow so fast that they

outgrew that; and there was a second central school — or, school.

And then finally, there was a big controversy about the land. And so he was on the school board and they agreed to lease the land so that they could get the money to continue education. And they moved the school to where it is right now. After they moved the school there, it was still growing so fast, they had to double it and fill the whole park. So the school wasn't 100% built at the same time, but most of it was,

JE: And he was chairman of that building committee.

JB: He was.

JE: And I do believe his name is on the cornerstone.

JB: It is; it is.

JE: So it shows the deep roots you and your family have in this town.

JB: We do; we do.

Chapter 3 – 7:42

Education

John Erling (JE): So tell us about where, then, your first education would have been. Like, let's take you to elementary and junior high, in that area.

John Bumgarner (JB): Well, elementary was all in Wichita. I had great teachers. I still remember some of their names.

JE: What are they?

JB: Mrs Larson and Mrs Black; and they were great teachers. And so we moved back here when I was 12, when I was in the class — the first class — that went all the way through Edison Junior High and then Edison Senior High. So I was an Edison grad. I did well there. I was a National Merit finalist

JE: And you graduated from Edison.

JB: I did.

JE: In 19...?

JB: 1960.

JE: You remember, in the 50s, there was this fear of communism. And, even in school, I think we had these nuclear exercises where you get under your desk.

JB: Correct.

JE: Do you remember any of that?

JB: I do.

JE: Tell us about it.

JB: Well, it was just as you stated: here's what you do when there's a warning of a nuclear attack. Nuclear weapons were not that old. I guess they were dropped in '45. So it was still kind of a topic.

JE: And we had that fear, and when we think back on that, if a nuclear bomb had been dropped, say, outside of Tulsa, you getting under your desk wouldn't have helped you at all.

JB: That's correct.

JE: But, boy, there were those exercises. After high school, you go on to college.

JB: That's correct. I went to the University of Kansas for four years. And after that, I went to Stanford for two years.

JE: Stanford for two years. And that was for what degree?

JB: That was an MBA: Master's in Business Administration.

JE: So, in these days, did you know what you wanted to be when you grew up? Like, since, obviously, we're gonna be talking about real estate — did you like tall buildings or any kind of real estate at all at that time?

JB: Not really. You know Stanford trains you to be a problem solver. So I was interested in learning how to solve problems. That's always been my strength is the ability to look at problems from 360 degrees and attempt to figure out how to solve them. My interest in real estate came about as a result of going to work for Skelly Oil in 1966.

JE: Alright, in '66. And let's — we'll get to that — things happen to you. But when you were in University of Kansas, you had — must have — picked up on that and yourself.

JB: Well, I was an accounting major and took a lot of different courses. I took 133 hours. It only took 118 to graduate. So, I basically took an extra semester. And so I was interested in lots of different things. I just — I was there to sample it like a buffet.

JE: So you went into accounting? Your father had been into accounting.

JB: That's correct.

JE: And so you did follow that track.

JB: I did.

JE: You graduate from Stanford when?

JB: In '66; 1966.

JE: We like to talk about things that are going on in the world while you're living your life. We have the Vietnam war going on.

JB: Yes, indeed.

JE: And, so, how did the draft board treat you on the Vietnam War?

JB: Well, in that particular period of time when you were 18 years old, you had to register with the selective service, otherwise known as the draft board.

You got your selective service card, and you got a name, and a series of digits that now look like your social security digits, but they're not. And you were eligible to be drafted, but you were also eligible for deferments if you went to college; and then you got a second deferment if you went to graduate school — for one year. And then you got another deferment, if you were married, to finish your graduate degree.

And in the second year at Stanford... And Stanford, by the way, is very much a Navy town, because of its location and proximity to the naval assets that are out there, including the airfield, there's a Moffett airfield, it's the Navy's airfield.

And so, at the business school, they would bring in different recruiters to talk about your options, but they wouldn't let any — the only recruiter Stanford would let you have access to were the Navy recruiters. It's a Navy school.

And so the scheme was you wanted to be a naval officer. You wanted to be a naval officer in the supply corp; and that was all based on your scores, your test scores, and your scores after you've gotten into the Navy, because they'd send you Newport, Rhode Island and then send you to Athens, Georgia.

The waitlist to get into the Navy from California, it was like 9 or 10 months. The waitlist to get into the Navy from Oklahoma was the next day. I mean, not quite “next day,” but very prompt.

So two of my classmates and I, we all flew to Oklahoma City and took the naval officers test. And it's a hard test; it's not an easy test. And we all passed.

And the naval recruiter there turns out to be a nephew of the draft board lady at local draft board 76 — selective service draft board 76.

And this lady had told me, and looked me in the eye and told me in no uncertain terms, “Sonny boy, you're going.”

So I was all set to enlist and get sworn in. I came back to Tulsa to drop off all my stuff, and my wife, and I did that. So I was set to go enlist. I think I got back to Tulsa around right after early June, right after Memorial Day. And I was scheduled to go over and enlist the fourth week of June. I got a phone call from the naval recruiter who was tasked with being the Fourth of July chairman for the inter-service picnic. And he asked me if I'd be alright if I came after the Fourth of July. And I said, “Sure.”

In the meantime, my wife turned out to be pregnant, which was another deferment. That's how I escaped going to the war.

And that was pure luck. And I've been lucky in my career as we get deeper into it, and you'll see some examples of that.

JE: Okay. When were you married?

JB: The first time, I was married in '64 between Kansas and Stanford.

JE: Okay. And did you have children from that marriage?

JB: We did. I, my son, Chris, who was born, also, at Saint John.

JE: And he's with you in the business today that we'll talk about. Alright. And then you're currently married.

JB: I am.

JE: To? What's her name?

JB: Her name is Mary Anne. We got married in '73.

Chapter 4 – 6:50 Getty and Skelly

John Erling (JE): You finished Stanford, then you're going to work.

John Bumgarner (JB): I did.

JE: Where?

JB: Skelly Oil.

JE: Skelly Oil. Tell us about that.

JB: Well, Skelly represented... I mean, his net ownership of Skully ... it was controlled by Mr. Getty; and Mr. Getty, when he died in '76 was the richest man in the world, and the price of oil was \$3 and — well, in '76 it was \$7.50, but most of the time it was \$3.25.

And, so, you can kind of see what he'd be worth today with the price of oil being \$55. It's been as high as 120, 140 actually. You can see how wealthy he would be were he still alive.

So, Getty, he owned control of Skelly. He had only about 62% when I went to work there and when he died, I think he and his ownership had grown

to about 82%.

And it was that 82% was roughly a third of his net worth at that time. Getty was two-thirds. Well, it was 2 billion and Getty was 4 billion. And then petty cash and art was the other billion. So he's worth about 7.6 billion.

Working for him — well, I wasn't working for him, I was working for the management of the Skelly Oil Company, which reported to him. Once a year, they go over to London and check in. Mr. Getty wanted two dogs hunting for oil instead of one. That's why he kept them separate. After he died, they merged as quickly as they could. That's why I went to work for Williams in '77 — '76, '77 — after Mr. Getty's death.

But it was a wonderful experience. I was in charge of ... Well, I was recruited as an assistant-treasurer type guy, worked my way up to treasurer, and manager of planning, and manager of account receivables, and manager of real estate.

JE: Did you ever meet Mr. Getty?

JB: No, no. The closest I came was a telegram where there was a controversy about float and we were writing checks on a North Carolina bank. It took 18 days to clear. The bank that was part of that float was First National and Harold Stewart was on the board of Skelly, and he was also on the board of First National.

And when he understood how much money we were making from that activity, he complained. Mr. Getty's response was — and it was worth to Getty, it was worth about a million and a half dollars a year — he simply said, "I don't mind being called an SOB for a million and a half dollars a year."

So I kind of liked what we were doing, contrary to Mr. Stewart.

JE: So did you ever feel, beyond that, in the company, "Oh, Mr. Getty said this," or, "Mr. Getty that," or did you feel his presence?

JB: Well, he had a reputation for being able to do discounted cash flows in his head. He was very mathematically gifted and so he could smell a good deal pretty quickly. And I think it reflected — and I know it reflected in how

Skelly behaved — and we were pretty diligent with our math. The last thing we'd ever want to do is write a report that had a math error in it.

JE: And you were in on those reports?

JB: Oh, yeah. Yeah.

JE: Did they have a big picture of Mr. Getty anywhere?

JB: No, he was invisible. The closest came that periodically — well, not periodically — I think in the 10 years, once, maybe twice, his son, George Getty, came to Tulsa.

But, Mr. Skelly had a reputation for being pretty hard-headed, and opinionated, and he basically would conduct business and then tell Mr. Getty what he'd done, even though Mr. Getty controlled the company. And Mr. Getty let him do that because he was a good businessman and he liked two dogs in the field, sniffing for oil.

There was a real competition between Skelly and Getty personnel up and down the line. People would get raises if they got in a fist fight in a bar. It was that contentious.

JE: Between these two?

JB: Oh, yeah.

JE: The companies?

JB: Oh, yeah, they were out competing. They were competing.

JE: And Getty loved that?

JB: He did. Yeah, he certainly encouraged it. He did not discourage it. Let me put it that way.

JE: And we're talking about William G. Skelly

JB: Yeah. "W.G."

JE: And that's where we get KWGS, our NPR station. And he's another story, too. A fascinating man. But he stood up to Mr. Getty and Mr. Getty enjoyed that.

JB: Well, I'm not sure he enjoyed it. He tolerated it. And George Getty, I think, at one time, said, "Why don't I come to Tulsa? You've already done everything you want me to approve." I think Mr. Skelly said yes.

JE: But that was a real valuable experience for you, wasn't it?

JB: Sure.

JE: To come on as a young man in your twenties.

JB: Right.

JE: And for 10 years.

JB: I was appointed treasurer when I was 31, and I was the youngest officer in Getty — in the history of Getty companies.

JE: Wow. You're 10 years there, and when Mr. Getty dies in '76, you didn't have to leave, but you did.

JB: Well, my choice was to move to California and that's where my job would have been.

I was designated the merger manager for Skelly. So I was responsible for gathering all the information and helping the bankers appraise what Skelly was worth, so that when they merged together, the minority shareholders of Skelly would be treated fairly.

And that was basically my task. In doing my task, that created a contentious back-and-forth with my counterpart at Getty, who was in California, who turns out would have been my boss if I'd gone out there.

So it wasn't a hard decision and neither Mary Ann or I wanted to move. We love Tulsa and there's a huge culture difference between Oklahoma and Los Angeles. Yeah. So we stayed and went to work for Williams.

Chapter 5 – 9:50
Williams

John Erling (JE): When you say, “Went to work,” let's talk about that. Do you go in and knock on their door or do they come after you? How do you make your contact with Williams?

John Bumgarner (JB): Well, I'd known Joe Williams. Yeah, that's a great question. I'm not sure I remember who contacted who. But we ended up in a conversation, that led to another conversation, which led to another conversation, and that's why I decided to go to work. I stayed until January so I'd get my bonus and I'd get my 10-year vesting for retirement. Back then you had to work 10 years to get your retirement, which is a company paid event. We didn't have 401k s back then. So I still get a check from Getty's successor. Getty got purchased by Texaco and Texaco got purchased by Chevron. So I got a check from Chevron every month. Not a big check, but a decent check.

JE: It's a fun reminder of your career.

JB: You got to put things in historical context when you're talking about money and oil prices. You know, Stanford graduates got paid a lot of money and a lot of them went to work either in Wall Street or for McKinsey or — my choice is I want to be back in the Midwest. My choices were Hallmark Cards, Exxon — well, wasn't Exxon — Humble in Houston or Skelly in Tulsa. And I chose Skelly by default because it was Tulsa and it was easier to park there because, remember, I was on the way to the Navy.

And back to that Navy story: the reasoning that you want to be a supply corps officer there is because you want to be on a destroyer and they had two line officers on a — career officers — on a destroyer. There were 20-year guys in the line and the supply corps officer was one third of their grade. So you were their new best friend.

JE: Right.

JB: And basically again, if you choose, if your test scores are good enough, you get to choose destroyer and if they're really good enough, you got to choose Mediterranean. So that was the strategy. But, you know, back to — I got distracted. Tell me again where we left off.

JE: Well, when you come on with Williams and then you chose Tulsa; you could have chosen some out of state jobs, but this was your home, too, so that helps you when you make that decision.

JB: Well, we got back to my paycheck — my first paycheck. It was like 10,000. It was \$850 a month, which is like \$10,500 a year.

JE: With Skelly?

JB: With Skelly. That works out to be about \$5.50 an hour.

JE: Yeah. But that --

JB: That's the starting pay at Skelly in 1966 for a Stanford MBA in the top 15% of his class.

JE: All right. So, compared to everybody else?

JB: Oh, that was, no, that was maybe that was a little bit lower, but not much. I mean, that's just what talent was worth in 1966. Today they get paid 100 grand to start.

JE: Coming out of Stanford. So then with Williams and you knew Joe Williams and we have his story here on our website. What was your first job with Williams?

JB: I was hired as Vice President of Planning and Development. I reported to a gentleman that was a Senior Vice President, Gale Rogers. So I was part of that planning and development environment, which was consistent with what I did at Skelly. Shortly thereafter, I replaced him and I was a Senior Vice President for Planning and Development and that's what I was for 25 years. But my role expanded into lots of different things.

JE: Let's talk about John Williams. He was around, wasn't he?

JB: Oh yeah, John was the CEO, Joe was the COO. Oh, John was very much around.

JE: Right. So what was he like? I mean, he was overlooking your work or ... ?

JB: Well, yeah. I mean, when the big decisions got made, Joe and John were in the room always. They worked together enormously well. Very different personalities. All four of the Williams brothers had different personalities. There was David, Charles, John, and Joe, and each of them were engineers. Each of them were graduates of Yale. Each of them were terrific individuals, individually. They were outstanding people in every respect. I'm a Williams guy. I think they're wonderful. I enjoyed working for them. I

worked for Joe, and I worked for Joe, and when he got CEO I still worked for Joe. So I kind of worked for the Williams, Joe and John

JE: And we have John's story here on VoicesOfOklahoma.com. So you're learning a lot too, because, how old are you then when you come with Williams?

JB: 32 or 33.

JE: Wow. So that's a young age to come in and you've impressed both of these great leaders and you end up in a senior position. You were certainly at a high level not to be a family member.

JB: Correct. That was an interesting adventure. When I went to work for Williams, I was coming out of Skelly — which had a AAA-grade bond rating from Moody's and S&P. It had outstanding credit because Mr. Getty once got threatened by the banks. And after that he never got over-levered. And it had as strong a credit rating as you could have.

Williams, on the other hand, had a triple-B minus, which is the weakest credit rating you could have and still be rated because they were leveraged. I mean, when they did the transaction where they bought the Great Lakes pipeline system, they levered themselves fairly heavily. When I went to work there, the assets were 2 billion and when I left in '01 — 2001 — they were 44 billion. So we had a fairly interesting growth curve: lots of ups, a few downs, but it was quite a ride.

JE: And so you were Senior Vice President of Williams Company's corporate planning, Co-chief Operating Officer and President of Strategic Investments, a high technology company. What was that all about?

JB: Well, that was the communications company. And then there were ancillary companies that supported the traffic on the basic transportation line, the fiber line.

JE: And can you describe a little more what you would have done in those positions? What was your responsibility?

JB: Well, evaluate transactions and make transactions between Skelly and Getty. I think I closed 400 deals.

JE: So you would come up with a plan to solve a problem and so forth, then you present it to the Williams?

JB: Well, that would be part of it, or I'd be tasked with selling something that we wanted to divest, or I'd be tasked with closing or buying something we wanted to buy. So it was deal flow.

John was very much a transactional — and Joe, too — very much a transaction-oriented individual. They had a general direction but they were reflective and seized on opportunities. So they weren't dedicated to a particular industry. They were dedicated to being opportunistic. Their batting average was pretty good. It wasn't 100% but it was pretty good.

JE: John and Joe were different. Did Joe really operate independently? Did he lean on John or did John leave Joe alone?

JB: Well, there are two different situations. One when John was the CEO, Joe supported John's direction but John and Joe would sort it out between themselves.

And when John retired, he stayed out of Joe's way. He let Joe run the company but he was on the board, and it was a good board, and so his voice was obviously recognized as a senior statesman of the county. John is a very tactical, shrewd, smart person.

JE: Did you learn anything from him as you became your own CEO and president of the company? Did you think you modeled after him or subconsciously did?

JB: Well, you know, through my career, I've been blessed with people who have helped me develop. I knew a lot about the refining — I worked during the summer at a refinery — I knew a lot about refineries and chemical processes at Skelly.

But I had a mentor named Bob Miller — “Buffalo Bob” was his code name — who taught me the other side of the business, the production and exploration at Williams. There were so many opportunities to learn. So, yeah, you can't work around John and Joe without learning a lot about leadership, about character, about values, and about how you motivate people. They were masters at it and without being masters. I mean, they

were skilled at being leaders and I think it was intuitive for them. It was natural for them.

JE: Yeah, they didn't have to learn it.

JB: Maybe they did. I don't know what they do at Yale, but...

JE: (Chuckling).

Chapter 6 – 8:34

Real Estate

John Erling (JE): But weren't you — you were involved as you were president of Williams Real Estate.

John Bumgarner (JB): Right.

JE: So, what I'm trying to lead you through here: you've got your taste of real estate and knowing the real estate market in our town, are they planting seeds in your head to which you, maybe, eventually came?

JB: Well, Ed Henson was the head of real estate. I got involved in real estate towards the end of Ed's career, learning from transactions Ed did in Charlotte, and in San Antonio, and in Denver. Obviously, I was intrigued with it because it's problem solving, and it's using leverage. Williams company, throughout its history, has always been users of leverage.

JE: When you say, “leverage” explain what that means.

JB: Debt. Debt.

JE: Debt.

JB: With that “debt,” what it means: you're borrowing money.

JB: Yeah, well, you, to buy ... They traditionally have been involved in pipelines, and pipelines are the kinds of assets that can tolerate significant levels of debt because their earnings are highly predictable. And so the return on the equity is what you're after — because that's what Williams was after, obviously; it's what any equity owner is after — was able to be enhanced

through the leverage.

Real estate is the same way. Most real estate is leveraged. I don't know very many buildings that get built with petty cash. You go out and you borrow what the banks will tolerate you borrowing, and you build the building, and you get a return on your equity.

So real estate was sort of a natural offshoot to pipeline leverage, to transaction leverage, and it also involves problem solving — it's supply and demand.

You know, you're building buildings that last 50 years, but your tenant agreements may be 5-10 if you're lucky and 5 most likely. So it's not exactly a matching of tenant demand with longevity of the asset, hence you have risk. And so what you try to do is not get too risky or frisky.

JE: How do I get into you to talk about the purchase of the 320 South Boston building? Is it when you're at Williams you're looking at that?

JB: Well, at Williams in 19 ... Well, during the late '70s and early '80s, we, as a strategy, felt that inflation was a serious event. If you recall, inflation got up to some huge numbers, interest rates got up to 15%, 20% in some cases.

That's when Volcker came in and broke the fever and dramatically changed interest rates downward.

But prior to that, inflation was embedded in our economy. And it was serious rates of inflation. So we thought if we could buy assets that had leverage at 5%, 6%, or 7% they were exposed to the inflation of 10%, 11% , or 12%, you couldn't miss.

Well, it turns out that after they broke the fever, you could miss.

And so in '87, we decided to rearrange the furniture — rearrange the assets — at Williams. And we sold Edgcomb Metals, and we sold ... Well, we decided to get out of the real estate business. And we got out of the exploration and production business as well. And we bought a city service pipeline. The predecessor — or the successor — of the city service pipe. It got us into the natural gas pipeline business, which Williams is now pretty

damn dominant. I think, today, Williams transports 30% of the nation's gas.

So that transaction, when we were successful in making that acquisition, it caused us to decide to sell things. And one of the things we decided to sell was the real estate. So we kind of had an auction, if you will. And Trammel Crow was a successful auction buyer of the real estate, but we had a minimum price on certain assets as a carve-out, that if they didn't assign value or pay for that asset at that rate, at that level, we had the right to pull it out of the transaction. And they lowballed some land around the building, and they lowballed the Kennedy Building, and the 320 building. And we pulled them out. And we decided to have a private auction where we would go to other people that had expressed an interest in the auction process.

And then they opened it up to anybody else. And I asked, and received permission, to be a bidder. So there were, I think, four bidders. We all turned our papers in at the same time in a sealed envelope and... It's kind of interesting: Eddie Henson was still there at that time, and he turned in a bid, and I turned in a bid, and two others did — or one or two others, I'm not sure — and my bid was better. And that's how I bought the 320 and Kennedy Buildings.

JE: So Williams owned those two buildings.

JB: Yes, they did.

JE: Ok. I hadn't connected that. And that's how you got into it. Alright.

JB: Well, Trammel Crow thought they were going to own them, but they bit such an embarrassingly low number, and we pulled them out.

JE: Right. Could they have come back into the auction?

JB: No. They kind of insulted us. Trammel went ahead and bought the Williams building. And they bought some of the other assets we had, like in Denver, and San Antonio. So we went ahead and closed with Trammel on major... We ended up buying the Williams Building back. They paid like 110 million, and we bought it back for 88 later.

JE: Okay. Alright.

JB: But that's another story. I mean, about how that happened.

JE: Right. So, you're buying two buildings: Kennedy and 320 South Boston — NBT, also known as. We want to talk more about that. For what kind of money you're talking about?

JB: The price was over 10 or \$11 million dollars. And what we were buying was the stock of those buildings because we wanted to step up the basis and be able to depreciate. It was a simple but complicated transaction but basically a 10, 10.5, 10.8 — something like that.

JE: Million?

JB: Yeah.

JE: For those two?

JB: Correct.

JE: Buildings.

JB: Right.

JE: Alright. Well, then, can I ask: You must have been a pretty good saver? You had some money, 'eh?

JB: I did. I did. And that came about from some production — oil and gas production — I had in Okmulgee County.

JE: Ok. So you didn't have to go out and get partners to help you do this.

JB: Well, I didn't, but I got two of my investment banking friends, and Congressman Jones, and a lady that worked there and I think they ended up buying — no, a lawyer that worked there — Sam Stone. And between them, I think they owned 8% or 9%. I own 90. I own the rest of it.

JE: Did you need them? I mean, if they came in for so little, why did you need them?

JB: You need them because they could help on refinancing. They could help. They could be helpful.

Chapter 7 – 9:08
320 S. Boston Building

John Erling (JE): A little bit about the 320 South Boston building. 22-story high rise building?

John Bumgarner (JB): Right.

JE: And you know about the building, you could talk about it yourself. Can you give us a little description of the history of it?

JB: History really started when it was first built, and it was built on the corner; and it was only a 12-story building and it was called the Exchange National Bank Building, which is a predecessor to NBT, and which is the processor to BOK, Bank of Oklahoma.

So that bank — which was formed by Harry Sinclair and his brother Earl — that institution kind of started the corner there, and then it was built — it was expanded — four other times. So it was built in four different stages. But that bank was the first oil and gas bank in Oklahoma.

JE: It was built in 1917.

JB: Yeah. And they formed that bank before that, they were a different location, but they were a highly-successful bank and it was based and formed primarily around the oil and gas industry; and the directors and owners of the bank were oil and gas people, and they were competing with First National Bank. So there's been a competition between First National, which was the first national bank. But this bank was an interesting bank, and Harry and his brother were interesting bankers.

JE: Yeah. But it was the tallest building in Tulsa. The community looked to it. Wasn't it true that, at the top, they had floodlights with different colors?

JB: Well, that came long after Harry's time. That came from when Bradshaw ran the bank — or Joe McGraw ran the bank, and then Bradshaw. I'm not sure which one was in office when they did that.

JE: But the community would look, there was a green light meant fair weather,

JB: Correct.

JE: Red lights --

JB: Well, that happened as a result of a lady — her last name was Alvarez — who created the first transmittal of television communications. She was able to outmaneuver a lot of men who wanted to do what she did; and she got Bradshaw to agree to let her put the tower on top of the BOK.

And so when that happened, the first signals of television in Tulsa, Oklahoma came from that transmitter. And in order to induce demand for television sets then, they gave away 300 television sets around town and the bars and elsewhere. And after that, the demand for television exploded. And that tower is now the predecessor to KOTV, Channel 6.

JE: Right. And what was her name again?

JB: Her last name was Alvarez. Give me a second. Helen was her first.

JE: Helen Alvarez.

JB: Alvarez.

JE: And was she putting that tower up for channel — for KOTV?

JB: Yeah.

JE: Right.

JB: She later moved to — she obviously was an attractive young lady — she went on to move to San Diego and did several television stations in California. She passed away not too long ago at age 88. She was a real entrepreneur and made a ton of money.

JE: I don't know if there's any truth to the story that when that transmitter was being erected, the worker's wrench fell, struck a woman on the street below, and killed her.

JB: Well, the rest of the story is that the workman claims he was distracted by this beautiful woman who climbed up this incredible tower; and the property manager wouldn't go up to the tower. She was with him to go to the tower and he said, "I'm not going up:

And she said, "I will."

So she goes up there and startles this guy. That's the rest of the story.

JE: Oh, so that is true, then. His wrench did --

JB: His wrench did kill somebody. And because of the tower was so successful, Bradshaw decided he needed to do something and that's when the lights — the color lights — came about.

JE: Alright. And Bradshaw's first name?

JB: It was an initial. H.E. or something like that.

JE: Okay. And he was president?

JB: Oh, yeah.

JE: Of NBT?

JB: His initials — I think it was A.E. Bradshaw.

JE: Alright. But KOTV doesn't have a tower.

JB: No, that tower has come down long ago. KOTV found another location for a tower and probably got tired of paying rent.

JE: And there was this — an urban myth. The building was designed as a Zeppelin mooring.

JB: Yeah! That's a great story. It's like some of today's conspiracy stories.

JE: Right. And that's probably all it was. It was a US Navy zeppelin was moored there in the '30s and --

JB: That's what we call fake news.

JE: (Laughing) Yeah, right. And the architect of that building was George Winkler who also designed the Mayo Hotel.

JB: Yeah. And some of the drawings we have from the original work he did are pieces of art. I mean, they don't do architectural drawings like that anymore; but they are truly pieces of art.

JE: And so you were feeling — and maybe you didn't at purchase — but feeling the, "I'm buying more than a building, I'm buying history. I'm buying all of that that came with this and preserving history."

JB: Well, let's be honest here: That's a secondary. That, at the time, was a secondary consideration.

JE: Well, I understand that. That's why I said, "after the purchase," then maybe all this began to sink in to you.

JB: Well, it did. No, that's true. It is a large part of Tulsa's history and that bank building had been owned by the bank, and then Williams — John Williams — was able to buy the 21% that Mr. Chapman owned of the bank in 19... I forgot what day John bought that, but it had been back in the early, late '50s, early '60s. And then, when the bank decided to sell it to Williams, Williams bought the 320 Building from the bank.

And, so, between the bank owner — the first owner — and Williams being the second owner, that makes us the third owner over 100 years, and now 102 years. Yeah, we own a piece of Tulsa's history, and we're responsible for it.

But back to the original purchase: It was an opportunistic purchase and the math worked.

JE: Oh, I totally get it and anybody listening would certainly understand that. But, and you referred earlier, to you — I don't know if you call it luck or whatever — being in the right place at the right time, and you certainly were there for that. That was by Providence or whatever you call it.

JB: Well, it wasn't a gift, it was an auction. There are two auctions that account for ownership at the 4th & Boston: one was the Williams inside auction, which was after Trammel Crow was the buyer, and we pulled it back away from him. And the second auction, of course, was the Mid-Continent Tower in 2011. And that was a court-ordained auction where they hired a brokerage firm to conduct the auction, and it was a court-sanctified process. I think there were 13 bidders for the Mid-Continent Tower.

JE: Ok. So, then — but you bought two buildings here with 320 then the Kennedy Building...

JB: Correct.

JE: ... comes with that.

JB: Well, Kennedy by itself was a very profitable building.

JE: Right. And again, you bought them both for...?

JB: Same price. I mean, the price I mentioned.

JE: 10 million?

JB: It covered both buildings.

JE: Yes, right. What are those two buildings worth today?

JB: Are you with the assessor?

JE: (Chuckling) Yeah. Yeah, no. I'm not. So, are you refusing to answer? Is that it?

JB: Oh, I can't recall.

JE: Okay. (Laughing) This is a deposition.

JB: Well, It feels like it, yeah!

JE: It's an oral history and people are fascinated by these buildings, and the fact that --

JB: Well, they're probably worth more than what we paid for 'em.

JE: Well, of course. Of course they are.

Chapter 8 – 4:50 Kennedy Building

John Erling (JE): So a little bit about the Kennedy building — kind of give us a background to that building.

John Bumgarner (JB): Oh, that's a fascinating story. This is when Tulsa was exploding in growth. And a gentleman from St Louis, a Frenchman, his

name was Galias? I'm not sure I'm pronouncing that correctly. Came to Tulsa, and one thing led to another, and he bought some land along Boston, across the street from the 320 — what is now the 320 building.

I think the land he bought, he bought it from Dr. Kennedy, but Dr. Kennedy didn't sell him the hard corner — or Dr. Kennedy kept, I think, Dr. Kennedy kept a piece of the land next to it, maybe on the north side.

And he goes about and hires a great architect, and I think he built that building in 1917 for, like, \$150,000. It's an interesting story because they built that with one of the first steam engines and they were able to erect the steel in 90 days.

JE: So the steam engine allowed ...?

JB: It allowed you to hoist material without donkeys and much more efficiently. Anyhow, the construction part of the building is a very interesting story. He then had an illness, or his daughter had an illness — something happened in his family — and he left. He decided to leave Tulsa.

JE: Galias.

JB: Galias. And he sold the building to Kennedy who was delighted to buy it. And Kennedy, by that time, Dr. Kennedy, who was a medical doctor, had enough money from an oil deal. He'd made some money, and he had enough money to pay him \$500,000 for the building.

And then he added to it. And what Galias had done was that he'd originally scheduled it to be an eight-story building. But demand was so high for office space, and office space was leased before the buildings were constructed, there was such a demand for office space. That's how it got to be a 10-story building.

JE: So these two buildings are being constructed about the same time, then, aren't they?

JB: Well, that's the charm of this intersection. Everything was built about the same time, including the new central schoolhouse.

JE: And traffic was complaining because, "We can't get through!"

JB: Well, remember...

JE: In 1916, they were Model As and Model Ts.

JB: Maybe some horses and wagons.

JE: Right. So, Kennedy, he increased — what, tripled — the size of it?

JB: I don't think he tripled it. He increased the size of it. It may have been like a 30 or 40% increase. But, yeah. And then Williams went ahead and, when they bought the building, they closed in the back of it and created the atrium. Before that it was a U-shaped building.

JE: Okay. So he named it for his family, Dr. Kennedy, and is Galias' name still on the building somewhere? On an entryway or anything like that? Or it's gone?

JB: Yes. It's gone.

JE: Alright. But it was one of the largest office complex, not only in town, but in the area, wasn't it?

JB: Correct.

JE: And then it was sold by the Kennedy family in 1967.

JB: Correct.

JE: And that's when the Williams people come in.

JB: Right.

JE: The materials that they would have used in both these buildings, are they different? Are they the same? Did they use different styles? Can you compare the two?

JB: Well, yes and no. I mean, the Chicago School of Architecture was pretty dominant at that period of time. The materials used were not unique, but today would be prohibitively expensive. The marble in the 320 building is — you just couldn't afford to do that.

In the Kennedy building, likewise, there are just things about that building that are just too expensive to repeat. And the one is the most irreplaceable

is the one Cosden built on the corner across the street, which, originally the Cosden building, which is now the Mid-Continent Tower

JE: Which ... the size of the two buildings...

JB: 320 is the biggest. Mid-Continent is the second biggest, and Kennedy is the smallest.

Chapter 9 – 9:15 Tulsa History

John Erling (JE): Yes, about the Mid-Continent Tower and that came about in 2011.

John Bumgarner (JB): Correct.

JE: You've already referred to that. And why did that come up, again, in an auction?

JB: Well, it was put into bankruptcy, like 18 or 19 years prior. So it was sometime after the recession of in the late '80s, early '90s, it went into bankruptcy. And it had stayed in bankruptcy for almost 18, maybe 19 years, a long time.

And it stayed in bankruptcy for a very interesting reason: It was heavily leveraged with a partnership-ownership that allowed them to use tax depreciation benefits of the price the partnership paid and, had it gone through a completed bankruptcy earlier, the IRS has a recapture feature in the tax law, which means those people who charged that depreciation had to repay — recapture — and lots of expensive bankers and lawyers tried like, well, they tried successfully to delay that happening.

The reason is most of the owners of the paper are individuals and they wanted them to pass away and their estates be closed. That's my supposition and I think it's a damn good supposition. You're not gonna get anybody to confess to that. But it's kind of what happened.

JE: And this building, too, was built in 1916. So we had these three buildings going.

JB: Oh, yeah! Tulsa was rocking and rolling.

JE: And there was, at one point in your book, we'll talk about that, where prairie chickens roosted out here. And then tell us some of the buildings that were here. Wasn't there a church here? And a school?

JB: Well, the first building in that area... Well, let me go back to the train station, the first train station. And then J.M. Hall was able to get the engineer to build him a two-block street called Main; that was the first street. And then Boston and the hill, and the hill at 4th and Boston was the tallest part of the valley that represented the origins of Tulsa. And that's where they put the school. That's where they put the first church.

It was sort of sacred ground because Perryman and the Creek Indians had roped it off for educational and civic purposes. That's why it became controversial as to how and when it got developed. So between 4th and 6th, and Cincinnati and Boston, those two square blocks ate up that land.

But to understand what happened, and why these buildings, you have to go back to 1882 when the Indian schoolhouse was built. There was 200 people; and then you go to 1898, there were 800 people. You go to 1900, there were 1400 people.

And then you had the oil strike. You had Sioux brand, or whatever it was, that was West Tulsa — Wild Fork, he had a minor oil strike but the Tulsans promoted it as if it was a huge oil strike. Well, it wasn't, but it brought people in. And so, you know, by 1907, after the real oil strike, you had 7,000 people. But then by the time you got to 1910, you had 20,000 people. Then the boom was on. By 1918, you had 62,000 people. So the demand for office space was insatiable. It just wasn't enough. People were making deals in The Hotel Tulsa because there weren't conference rooms to make deals in. There wasn't space to make deals in. Waite Phillips, you know, he was busy, Getty was busy, everybody was busy making deals and they all had office space and in different places and — until they built their own buildings.

And what drove it all is one simple event: and that is the oil strike at the Glenpool. And that lake of oil is what created the land rush which made Tulsa the fastest growing city; and it made instant millionaires.

When you have a leak of oil, it's a little different than most oil traps. But when you have a lake of oil, it's pretty hard to miss. And that discovery is what made Tulsa, Tulsa. But the rest of the story is, had a guy named Hegler, a banker, young banker, not financed the bridge — the wagon bridge, there was already a railroad bridge, but that was the only bridge. Had he not financed a wagon bridge, Tulsa would be a suburb of Sapulpa because that oil strike was so big; And Sapulpa was bigger than Tulsa. And we had — Tulsa had four railroads at its depot and Sapulpa only had one — the same rail, one of the four railroads is the reason why Tulsa Railroad Station was where it is. That was — I think that was the Frisco.

So if Hagler hadn't done the land bridge — and he did it because Tulsa citizens had been incorporated and had the ability to do it but chose not to. And it's not unusual. We've failed to pass a lot of bond issues in our history. That was the first one we failed to pass. But he put this toll bridge in and that gave the ability for the train to service the explosion of value and activity caused by the Glenpool over that bridge. And we had four railroads that could do it, not just one. And that's why Tulsa is on the east side of the Arkansas River and Sapulpa remains on the west side.

JE: Wow, interesting. Where is that bridge location? Is that, do we --

JB: It's there again. It's been rebuilt.

JE: I'll bet that —

JB: Well, the original bridge that he built — It was fascinating when they decided to replace it. It was still usable; and so they disassembled it, and pieces of that bridge were used in county bridges around Northeastern Oklahoma.

JE: Wow.

JB: And I think the last one of those pieces went out of service like 10 or 15 years ago. So a hell of a bridge.

JE: Yeah.

JB: And his story is a hell of a story. It's very interesting what he did. He's a secret hero of Tulsa and he lived on the northwest corner of 3rd & Boston.

JE: And his money came from?

JB: He was a banker; he came from Kansas. Most of these guys came from Kansas in one form or another, including my granddad.

JE: Right. And wouldn't he want to get into exploration as well? These bankers and they could certainly be doing --

JB: Well, it was pretty hard not to. There was a lot going on.

JE: Right. And so we have a great inventory of art deco buildings in our town. Mid-Continent had that kind of impression — art deco.

JB: Right. Well, some people think it was a knock-off of the Woolworth building in New York City.

JE: And was it?

JB: Kind of. I mean, I can see why people think that.

JE: Right. It remains — and I suppose all three of these — on the National Register of Historic Places.

JB: And it should.

JE: Oh, absolutely. Right. Another great piece of history that you have in your portfolio and preserving history. And I know you're dealing it with business. But man, it doesn't it give you a great feeling, and your family, and your son, Chris?

JB: Well, it gives 'em something to do. (Chuckling)

Chapter 10 – 5:34

Cast of Characters

John Bumgarner (JB): Yeah. No, Tulsa's heritage is all fundamentally driven off of oil in one form or another. But when you, when you look at these characters — Sinclair, Getty, Chapman, Mabee, McFarlin, Warren,

McBurney, Phillips, Cosden, Kennedy — that's quite a cast of characters.

And we're blessed with three of those guys: Sinclair, Kennedy, and, Cosden, and Hagler, too. He was originally on that block. And Dr. Clinton was another one. He was at the southwest corner of 4th & Boston. One of the interesting side bits of all characters, with the exception of Harry: they could have been a Hollywood cast as characters. I mean, they were stunningly handsome men.

John Erling (JE): Really?

JB: Yeah, I mean, you look at these pictures and you say, "Wow, one of those guys looks like Steve McQueen." Another one, I mean, we had a Gregory Peck lookalike. We had a Steve McQueen lookalike. These guys were amazing at how outstandingly handsome they were.

JE: Do we know if --

JB: Harry was an exception.

JE: Harry?

JB: Harry was the exception. I mean, no one would ever call Harry, "handsome."

JE: These people — I don't know how many of them lived at the same time — but do you know if they like each other? Got along? Or there was feuding, or ...?

JB: Well, there was lots of competition between Exchange Bank and First National Bank, and that lasted. When I moved back to town, that was still going on in the '60s and the '70s. It took the RTC event to wipe out that competition because they basically all got wiped out — the equity in all those banks almost got wiped out.

Well, yeah, there's competition; there was competition. They obviously got along in the sense that they did business with each other, but there was competition.

JE: You mentioned Waite Phillips. So then he builds — I don't know if that would be considered way out or not from 4th and 3rd — so he goes out and builds the Philcade Building, Philtower Building.

JB: Well, he was part of the groups that came in after the school board in '17, or '16, or '17 agreed to land lease deals on those two super blocks. So he built his building — he built two buildings — one at the southeast corner of 4th & Boston and, of course, across the street, the whole block between 5th and 6th. Those buildings were part of that school land that had 99-year land leases on it.

So the strategy of the school board was: “We'll open up our land for development, but we want to do it in a way that funds education.”

And it did, people look at the numbers they got for selling the corner — hard corner — to Cosden is only \$50,000, but you got to go back and put \$50,000 in context of the fact that it was 1910 or whenever it happened — I'm not sure — it was early 1900s. That's big money, big money.

JE: And the school district was getting...

JB: Well, the school district kept growing. I mean, the exciting thing about Tulsa Central is they never did ... Once the mission school was a certain size, and by 2000 ,they had outgrown it; and then they built a new school, then they had to build another new school. And by the time they built that new school, they moved it all the way down to 6th & Cincinnati. And before they finished that building, they figured out it, too, needed to be doubled. And so they finished building out the entire block.

I guess they gave up after that and started building new schools in different places. But the history of Tulsa Central — it was the central school, and it wasn't distinguished as Tulsa Central, but Central School. It was an interesting story. I mean, it was a neighborhood school — bungalows around it. It was the town's school.

JE: But Waite Phillips — the Philcade and Philtower...

JB: They're inside that super block between 6th and 4th. Philtower, which is a beautiful building, is at the southeast corner of 5th & Boston. Philcade takes up the block from 5th to 6th also in Boston.

JE: And he lived in the tower.

JB: He lived in the top of the Philcade.

JE: And he had a tunnel between buildings.

JB: He did. It's still there.

JE: Still there. And that was back in the day when wealthy people were being kidnapped — family ...

JB: Well, they were fearful of that.

JE: Right. So, it was an easy way for him to get to work, but it was probably a protection thing.

JB: Yeah. I think that is correct. I mean, it's a bit of a myth, but I think it's a correct one.

Chapter 11 – 7:20

Condition of Buildings

John Erling (JE): Let's talk about tunnels — the tunnels between Kennedy, Mid-Continent, and all. Tell us about that system.

John Bumgarner (JB): I'd have to go back and do a little research to get the exact dates. But it was built to connect the buildings, and Mid-Continent is connected — or that block is connected — to the tunnels that go south to the Philcade. That part is no longer active. The part that's active is the part between Mid-Continent, and Kennedy, and 320. The tunnels technically belong to the city. We're responsible for maintaining them. It's a significant part of the value of those buildings because they now connect through the garage to the Williams Tower and there's a 1,800,000 ft in that direction. So you take our million feet and they're almost 2 million ft and you have 3 million ft of office space connected. And that's valuable.

JE: And it's being used as we speak, right now. People are walking in them right now.

JB: Oh, absolutely. When it's real hot and real cold, it's used a lot.

JE: It's crowded.

JB: Or when it's raining on a day like today, it'll be definitely...

JE: And so you said — and so it was connected to Philcade and Phil Tower, to that whole system. I wonder how that originally ... Somebody said, “Let's build a tunnel.”

JB: I wish I had that story.

JE: You know, I'm thinking about National Bank of Tulsa. We think about that safe that's in the 320 Boston Building. And you see — you just don't see them anymore. That huge door, the big, wheel and all on that. That's a nice piece of history. We don't have to live that way anymore, but...

JB: Well, it's still actively used.

JE: But it's not all presented that way anymore.

JB: Well, I don't know who it was and I don't know what was being delivered or... But, you know, three or four years ago, we had some guys with uzis show up with an armored car go in, bring something in, and put it in there. (Chuckling)

We don't know what it was and they — I think they gave us 30 minutes notice that they were coming.

JE: Wow. Is there anything unique in upkeep? Is one building in better condition than the other? Or one always has problems, or are they all kind of in the same condition?

JB: That's a good question, and I think it depends on the year Min-Continent has terracotta and when they expanded it in the '80s, and built a tower, that basically doubled the size of the building — more than doubled the size of the building.

The terracotta on the new part is different than the original terra cotta. And there's like only two people in the United States that can make that terracotta. The newer terracotta is not as weather resistant as the older material. So we're going to always have a terracotta expense of some sort. 320, on the other hand, it was built in four different stages and it is incredibly sturdy. You can have a serious wind event in downtown Tulsa and that building is not going to move. We can look out the window and see the other buildings move and we're not moving.

JE: Could a tornado hit the 320 building, and withstand it?

JB: Oh, it would take out the windows, but the building would be there. The foundation and the ... Well, if you go to the 12th floor where it all comes together, the south expansion and then the vertical expansion — those trusses, and those are built with donkeys — those trusts are, if they were a little bit smaller, the Smithsonian would want them in the Smithsonian. They're classics. They really are. It's an amazing floor.

JE: It's probably the best built building in town.

JB: Well, you don't need to overbuild it like that one's overbuild. So there'll never be another building built like it.

JE: Right. So it is the best building.

JB: Well, it's the most sturdy building. And the Kennedy is just a graceful building. And what Williams did by creating the atrium, I think, gave the Kennedy Building another 100 years of life. What they fundamentally did was create the interior walkways on the atrium side. And that gave him the depth to do more with the rest of the building, which means you can create offices in a modern environment and make them competitive.

So I think all three buildings have a different challenge. Probably the maintenance per foot is going to be a little higher at Mi-Continent because of the terracotta, because of the atrium and its efficiency and how it transfers air and cools the building, it probably will be the least expensive to operate, and 320 will be in the middle.

JE: How big a staff do you have — taking care of the building, and the heat, and air, and all that, that must be enormous for all three buildings.

JB: Well, again, it depends on the building. The HVAC — the heating, and ventilating and cooling system — at Mid-Continent is part of the building, and it's operated by 24/7 engineers. We are tied into steam, and cool-chilled water from a plant that's over on second street and as are many other buildings. So our maintenance at 320 and Kennedy is less because we don't have full-time engineers.

JE: Explain that again.

JB: Okay. The steam and chilled water that heats and cools Kennedy and 320 comes from a plant near 2nd & Denver, thereabouts. It's west of Denver. It's a plant. Well, it's immediately west of the arena and so it pipes steam water all over Tulsa.

JE: Is that a company to itself or is that...?

JB: Yeah. Viola is the name of the company. It was originally Trigen, and Trigen was an outgrowth of ONG at one time.

Chapter 12 – 8:10 Became a Builder

John Erling (JE): So you formed a management company yourself?

John Bumgarner (JB): Well, Williams had a property managers. And they had engineers, and they had personnel. We bought that company which had those people employed.

JE: But the name of your asset management company now is BAM: Bumgarner Asset Management, and it's operated by you, and your son, Chris.

JB: Well, it could have been Boston Avenue Management Company. So, "B-A-M." It just seemed to be a good acronym.

JE: Okay.

JB: Plus, I like the Louisiana chef who used the word, "BAM!" when he was cooking food: Emeril Lagasse

JE: Right. And it's interesting that Chris became interested in this business. When did he become — did he decide he was going to go to work for you or...?

JB: Well, he to Northwestern and then he got his masters in architecture from the University of Illinois at Chicago. And then he worked for an entrepreneur in Connecticut for a while. Oh, 21 years ago? 22 years ago? So

late 19 hundreds. I delicately explained to him that it was better to own your own buildings than it was to draw them.

JE: Right (Chuckling)

JB: And he took the bait and I recruited him to come to Tulsa. And it's been a wonderful decision from my viewpoint — I think, I hope, from his.

JE: But that's great to have a family member and somebody you can trust.

JB: Right. Well, and we've got one coming up. We've got 10 grandchildren. We have three boys that are all about the same age. They're 23, 24, 25. One of them also went to Northwestern and his name is Grant, and he's a Bumgarner also. And I hope that someday he's in the business. He loves Tulsa; he's now working as an intern at the Kaiser Foundation group. Good kid. You know, I think he'll be...

JE: Isn't that great to know? It's the third generation unto you that would be interested in it.

JB: Yeah, the fifth generation of Bumgarners.

JE: Yeah, and he knows that he could be.

JB: Yeah.

JE: Right. How old is he now?

JB: He's 22.

JE: Yeah. But, you know, you were buying tall buildings, but you're also building buildings. Now, you have become a builder.

JB: That's come about because the land needed to be developed. It was valuable and its current uses were not as valuable. And, yeah, we've built some buildings.

JE: It is mostly — it's right here where we are now at 21st & Utica. You have Utica Plaza, Utica Place, and 1515 South Utica.

JB: Plus a new one.

JE: Plus a new one where you took away my Goldie's Patio grill.

JB: But there's another one on 31st street, not too far away.

JE: Okay, thank you. (Chuckling) And so, yes, what's that? That's a three story building, I believe, isn't it?

JB: Correct.

JE: And that's gonna house what?

JB: It's gonna have a Charles Schwab, and Bank of Commerce, and we still have space to lease.

JE: The condos that you have. That building is called what?

JB: Utica Place.

JE: Utica Place. And that's the only building that you built condos in. Is that true?

JB: Right.

JE: Right. The other ones are office buildings, as we're in right now.

JB: Right.

JE: Are you done building? I mean, you have this one that's going up now, but are there other plans for more?

JB: Well, no. We have a piece of dirt at 14th & Utica that we've owned for several years. Our ambition is to do a significant project there. It takes a tenant first. I mean, we're not speculators; we're investors.

JE: So you go out and find tenants before you build.

JB: Well, it's a big enough project, a big enough site. The tenant size needs to be two 50s, or one 100, or something larger. We'd like to build 250,000ft there.

JE: Oh, and that's at 14th ... and?

JB: It's between 14th and 15th Street on Utica.

JE: Yeah. What are your thoughts about all the renovations of many of the old buildings that are going on right now for apartments, condos, businesses? I mean, there is a building refurbishing boom going on in our town.

JB: Right. Well, I think it's very positive and it's unfortunate that urban renewal wiped out a lot of buildings that otherwise would be candidates for that rehabilitation.

JE: Were they beautiful buildings?

JB: Oh, they're fabulous buildings. Some of them are pretty famous buildings like the Medical Arts Building at 5th & Boulder — 6th & Boulder — 5th & Boulder. 6th & Boulder? It was a gorgeous building. Yeah, there were some amazing buildings that got torn down.

JE: And urban renewal also affected the Greenwood Area.

JB: Absolutely.

JE: And there were people that were displaced there. So there was a blighted area though, wasn't it?

JB: Yeah. That's why urban renewal was able to do what it did. But it's unfortunate. The answer to your question is "yes." And, and so, I mean, there was an economic rationale for doing what they did, but in retrospect, looking backwards, look at what Tulsa would be today if those buildings were still around being rehabbed.

JE: Well, could we have handled it in a different manner? Are you looking back saying, "No, we didn't have to."

JB: Well, that's a good question. Today you have preservation tax credits. You have other incentives that are provided that developers could use. And had they had those incentives at that point in time, I think the outcome could have been different, and the city could have been more proactively resistant to tearing down buildings, as opposed to encouraging it.

The architects — the urban renewal architects — did a good job of selling modernization.

JE: Right.

JB: And it affected these buildings. I mean, if you look at the old lobby in the 320 building, it was stunning how beautiful it was. Well, modernization changed it. They put in a mezzanine, and they took out the old materials, and that north lobby doesn't exist anymore.

JE: Yeah. It was pretty stunning; when you see the Williams Tower, I'll call it the BOK Tower — that modern building standing there; and they of course, had to block off Boston to do that, and that was a major deal — I think between John Williams and Mayor LaFortune...

JB: It was.

JE: ... who made that happen.

JB: That's right.

JE: And, then, of course, beyond that was the urban renewal area. So then you see these great old buildings, and yet that modern building standing there. That's a great picture.

JB: It is; it is a great picture.

JE: Yeah. It just represents so many feelings and spanning many, many years. We're fortunate to have that.

Chapter 13 – 15:52

Challenges of Building

John Erling (JE): When you do your building, do you enjoy the process of it or do you think, “I can hardly wait until this thing is built,” or are you enjoying what leads up to the completed project?

John Bumgarner (JB): Well, that's a great question. I enjoy the conceptual design and schematic design of what it's gonna look like. Why it's gonna look the way it is, how it's positioned on the property. What the view quarter is, how it's gonna function for the users, and why the users are gonna want to be in the space. I love that part. Now when we hire the contractors (Chuckling)... The construction process is not pretty. It ... you learn from your mistakes. You got, as an owner, you have to be more involved than you thought you were gonna be. You can't just sign a contract and go to the lake. You got to stay on top of it; and getting permits and getting a city wherever you have to have permissions is an ugly part of the process. Tulsa is not development friendly. It makes it

difficult. Particularly as contrasted with other communities. I mean, you compare it to how Tulsa makes decisions with respective development and how Oklahoma City does. It's like night and day.

JE: Why is that?

JB: I don't know. Some communities around — all the communities around Tulsa: Broken Arrow, Owasso, Sand Springs, Bixby, Jenks. You go in with a project and they ask, "How can we help you?"

You go in Tulsa and they say, "Here's what you have to do." It's just a different attitude and it's not the mayor's fault. This condition has been going on for 20 or 30 or 40 years. Tulsa has got a reputation nationally of being very restrictive. Our health department. I mean, if you talk to people who create restaurants in Tulsa — chains, you know, come in, you know, do three or four restaurants and move on to the next city — and they're doing this in multiple cities in the region. They'll tell you that Tulsa is the toughest; the restrictions are the toughest; the enforcement is the toughest. We're just tough.

JE: Is there any positive that comes out of that? If they're so tough, then the end result has been exceptionally good? Or does — Since you have to deal with them all of the time.

JB: I don't think... If you did an honest survey where, where the city didn't know who was saying what, 99% of the developers would be critical. And we just suck it up and go on, but it takes too long to get a permit. And in order to prove they read the permit, they have to make comments, and then you have to resubmit and — that's fine. You get through the permanent process, then you have to worry about the inspections. And you can have a fire marshal make a decision during the construction process that causes you to spend a lot of money to fix it because you don't have time to appeal it. This building — when you leave this building. Punch "1" and go to the mezzanine level above the garage, that's the second garage level. And you go outside and on a wall, you're gonna see an exit sign. You're going to say what the hell is an exit sign doing in a parking lot? It's because if we have a fire in the parking lot, it's to direct you into the building.

JE: And no one would think that... when they see that exit sign.

JB: Yeah (Chuckling).

JE: But that was the thought process.

JB: That's why we, all of a sudden, had to put an exit sign where no one would have thought you would have to put an exit sign. Go out and stand on that driveway. If there's an event out there, you're gonna go west or you're gonna go east, you're not gonna go into the building.

JE: Great. So it's things like that you're saying.

JB: Well, it's just, you have a fire marshal that reports to Oklahoma City you have — It's just... I wish ... Whenever we build something, I always dream about permitting it through Oklahoma City.

JE: Well, that's discouraging. Somehow you can come through it all and ...

JB: Oh, we'll press on. We love Tulsa. We're not gonna hide and run away. It's just one of the things on my bucket list that I'd like to see. I'd like to see that attitude change. I'd like them to say, "How can we help you?"

JE: I would think if, after all the buildings you own or are building, that they would say, "Okay, here comes John again and what can we do to help him?"

JB: Oh, no, we both put our boxing gloves on.

JE: These three buildings — the big major ones that we've talked about: Kennedy building, Mid-Continent Building, 320 South Boston. Are they going to remain in the Bumgarner portfolio forever and ever? And if you say so, how do you know that can happen?

JB: Well, that's a very good question. The answer is, I hope so. And I think so, but nothing's forever. We have formed — my wife and I — have formed a dynasty trust. So while the buildings are owned in an LLC corporation, the stock of the LLC is owned by the dynasty trust and we are not heavily leveraged. We're leveraged, but we're not heavily leveraged. So if there is a recession, serious recession, or even a depression, we should survive. We have assets in the dynasty trust outside of real estate. Now, the challenge will be, when I'm gone, is whether it's prudent to sell the buildings and convert them to some other asset. And I hope I've structured it in a way that the beneficiaries of the trust are not incented to do that. And there

was enough language in it to discourage that, but it doesn't mean that the eventual trustee, who someday could be a corporate trustee, makes a corporate trustee-type decision that I'm sure, in their mind, would be a good decision.

So I can't say that it's always gonna be owned by the Bumgarner family, but that's the intent. They are profitable. They have good cash flow; and I think it's structured in a way that it can remain in the single ownership for an extended period of time.

We've also created, into the trust, a carve-off of monies that these properties generate for charitable purposes — 20%. So hopefully it's in the community's interest that they stay in the dynasty trust. Because ultimately that money is going to come back into the community. And that's the purpose. I mean, we've been fortunate. "To whom much is given, much is expected." And it's our way of trying to give back over an extended period of time. So we'll see what happens.

JE: Right?

JB: I won't see what happens, but the community will see what happens.

JE: We talked about all the other refurbishing of buildings downtown and so forth. And you were happy for that. But did they also create competition for you?

JB: Sure. But it's good competition. We don't have a market yet that can justify new construction. We can't charge enough rent to pay for new construction. We were able to do that over here because there hadn't been a class A building built. We built this building in 2008 and we were able to slip in and get away with building a class A building and get, you know, responsible and necessary risks. And we think we're gonna do that on the new building, but we haven't leased 100% of it yet. And so now your competition is now coming from older buildings that are being remodeled, but the cost of remodeling is awfully expensive. And so the rents they're gonna need are higher. And Tulsa has always a tenants market as opposed to a landlord's market; and that's for a variety of reasons. One is that the demand for office space has shrunk.

You say, "Well, why is that?"

It's because you used to have 250 ft per person in offices, but because of compression, that number is more like 150 or 125. So you have almost twice as many people in the same amount of old space. And so the demand, in terms of bodies, is growing, but the demand in terms of square foot per body is shrinking faster than demand is growing.

So we continue to have an oversupply of space; and until that it goes away — and it will — but it may take another 10 or 20 years. It's a tenant's market. A tenant thinks they can build a building and occupy it and avoid paying rent.

It's kind of like buying a car versus leasing a car. If the car manufacturers are going to give you such favorable lease terms, you're not gonna buy the car.

Well, that's what's going on in real estate.

If you do the math, you're not gonna build a building, you're gonna lease one because you're not making a long term commitment, you're making a short term commitment. The rent is so cheap that you can't duplicate it. You can't duplicate the operating costs. And you don't have to worry about whether the roof leaks or not. Somebody else does. The landlord does. So it's a tough business. It's a tough business.

JE: At this point in time, do you think that we're over-remodeling old buildings — then there's a call for — but it will catch up?

JB: I think most of the old buildings that are capable of being remodeled have been identified, and it's happened. So that trend is about to run its course. It'll be a while before you can justify a new building — a new spec building, Now, you know, like a WPX building, they're gonna, you know, an owner occupied building ...

JE: Which is a brand new building.

JB: Or the Unit Building south of town. Those sorts of things will still happen because the user is basically controlling the space and they're probably doing it for more than just an investment purpose. They want more efficient space, and you can get that with a new building, you can design

new buildings to be significantly more efficient than older buildings.

So the Quik-Trips of the world and the WPXs of the world, they're gonna build new buildings. So we're not through building new buildings, but we're not going to be building speculative new buildings.

JE: Right. And it's exciting because people are actually living in downtown Tulsa. They weren't doing that back when you were at the Williams Companies. Now, they're moving into condos and apartments and so forth; and young and even retired people are living in downtown Tulsa. That's got to be exciting.

JB: It is. But it's, again, a trend that needs to be accelerated. I think the body count downtown is somewhere between 4,500 - 5,000 people. We need to get it — everybody has a different number — but in my judgment, we need to get it closer to 12 to 15,000 people. And the city and its leadership needs to find ways to help make that happen. One way would be to copy what Kansas City did, which is basically waive ad valorem taxes — property taxes — not to the developer, but to the user — to the condo buyer. So he can buy a condo and not pay any property taxes for 5, 10 or 15 years — whatever the incentive is. Another tactic they could use is, and this would take a lot of political leadership, is to bring the governmental services that fled downtown back to downtown. But when you look at where we have social security or where we have all the different corps of engineers, all the different government agencies that are no longer in downtown. If we could create a governmental center and create jobs, those jobs bring those 5, 10, 15, 20,000 jobs back downtown, then that would accelerate housing downtown. But, you know, they moved the buildings out in the suburbs so people didn't have to pay for parking. And so if your employees are paying \$50 a month or \$100 a month, they're paying \$600 - \$1200 a year in after-tax money to work downtown for the government, whether it's the county or the Feds, how do you think they're gonna vote? They're gonna vote to move. And that's what happened and the city just stood there and let it happen.

JE: Right. Some would probably move if they just had a good grocery store downtown Tulsa.

JB: Gotta have that body count. 4,500 isn't gonna do it.

JE: Right. And so which comes first: the chicken or the egg?

JB: In this case, you gotta have people.

JE: Right. And they've got to come down betting on the fact that there would be a nice grocery store and easy access to the basics of life being handy. But that will probably come, too, though.

JB: Oh, it will come. It's a body count issue. But these grocery guys — their margins are so thin that they can't gamble on — they can't gamble very much. Their margins are very thin.

JE: So we've got some pioneers living downtown, don't we?

JB: We do.

Chapter 14 – 5:23

Leadership

John Erling (JE): You talked about leadership there. You've been a leader. They looked to you as a leader, Williams people did and so forth. What is it about you as a leader? Your style? Or even as you talk about that, that as young people listen to this, that you would give to them as advice about leadership based on your experience?

John Bumgarner (JB): Well, I think my personality is a combination of being both an introvert and an extrovert. In terms of working with different teams or working in big organizations like Williams and with Skelly, I think my style is more leading by example, as opposed by verbal enthusiasm.

I don't think anybody outworked me. And we had really good people. I've been blessed with good people above me and below me. And it's just seemed to have worked, you know? In my work history, I've had very low turnover. But I think it's example — setting the example — is probably the most important thing a leader can do.

JE: What would be your most satisfying accomplishment?

JB: Oh ... Out of 400 deals, I've got some winners that are special but those are all transactions. I guess, in terms of accomplishment, I hope it's back to the family and it's back to the future generation. I have emphasized in my family how important education is.

And unfortunately, with the disparity in incomes, and the cost of education, that education advantage is gonna be more pronounced. And so I've provided for my family to have that success with education. And that's an accomplishment. And it's unfortunate that it's so necessary, but it is. And I just don't ... I hope my descendants work to leave the world a better place than what they find when they come into it.

JE: So, then, how would you like to be remembered?

JB: A guy that worked hard.

JE: Do you have hobbies or was work your hobby?

JB: Oh, back when I was a little bit better golfer, I really enjoyed golf. I was never particularly good at it but I enjoyed it because ... I think the lowest my handicap ever got was 15, which means I'm capable of having a good time, but never winning any trophies.

JE: They get competitive, though.

JB: Yeah. But I like golf, and I occasionally like to go hunting with the guys, and I enjoy watching my Kansas Jayhawks play basketball as long as they're not wearing striped jerseys (Chuckling).

JE: (Chuckling) Right. Right. Well, I want to thank you for this time. I mean, it was enormously interesting and we've talked about preserving history, and your life just blends right into all of that. And I know it's business, but you've taken on the role of preserving the history of downtown Tulsa. And we thank you for that. And I thank you for your story to Voices of Oklahoma.

JB: Well, I enjoy what you're up to and I know you've been doing this for quite some time; and it's important that you started when you did. And I bet you and I both wish you'd started even earlier, because there's some wonderful voices that you're going to miss or have missed.

JE: Right.

JB: And, you know, I look at the history of these guys and wouldn't it have been great if somebody had done what you're doing in that time frame of, say, in 1910 to 1930, before the depression and captured that excitement with their voices, and then come back in, like, in 1938 when the depression had wiped out a lot of wealth, and see what those voices sounded like.

JE: Yup. And that's what I'm thinking that in 50 years, 55, they'll look back and being able to appreciate what we couldn't appreciate from the gentleman that you just talked about, so....

JB: Well, I hope you've got a game plan for somebody to carry this on.

JE: Well, those are the things that we're talking about. Absolutely. And for those who want to maintain it for us, and there's lots of discussion about that. This is our 10th year of doing it, so it's about time I visited with you and your life and we got 'er done, didn't we?

JB: What a subject that that is!

JE: Very good. Thank you, John.

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