

OFFERING MEMORANDUM

Process Manufacturing (Sale Leaseback)

Tulsa, Oklahoma • Industrial Net Lease



- Mission-Critical HQ and Manufacturing Facility
- 25-Acre Campus w/ Outdoor Storage and Expansion Area
- State-of-the-Art Facilities and Extensive Equipment
- Long-Term, Passive Investment Opportunity

 **Stan Johnson Co.**

OFFERED EXCLUSIVELY BY

.....

Jeff Tracy

Director

jtracy@stanjohnsonco.com

OK Lic # 148206

Campbell Black

Associate Director

cblack@stanjohnsonco.com

OK Lic # 179374

POINT OF CONTACT

Mark Grossman

Associate

mgrossman@stanjohnsonco.com

OK Lic # 184615

.....

Stan Johnson Company

6120 South Yale Avenue | Suite 300

Tulsa, Oklahoma 74136

918.494.2690

www.stanjohnsonco.com



Stan Johnson Co.

CONFIDENTIALITY AND RESTRICTED USE AGREEMENT

This Confidential Offering Memorandum (“COM”) is provided by Stan Johnson Company (“SJC”), solely for your consideration of the opportunity to acquire the commercial property described herein (the “Property”). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of SJC.

This COM does not constitute or pertain to an offer of a security or an offer of any investment contract. This COM contains descriptive materials, financial information and other data compiled by SJC for the convenience of parties who may be interested in the Property. Such information is not all inclusive and is not represented to include all information that may be material to an evaluation of the acquisition opportunity presented. SJC has not independently verified any of the information contained herein and makes no representations or warranties of any kind concerning the accuracy or completeness thereof. All summaries and discussions of documentation and/or financial information contained herein are qualified in their entirety by reference to the actual documents and/or financial statements, which upon request may be made available. An interested party must conduct its own independent investigation and verification of any information the party deems material to consideration of the opportunity, or otherwise appropriate, without reliance upon SJC.

The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time. The Property is offered and sold by its owner(s) as is, where is, and with all faults, without representation or warranty of any kind except for any customary warranties of title.

BY ACCEPTING THIS COM, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from SJC relating to the Property, whether oral, written or in any other form (collectively, the “Information”), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to SJC, all or any part of this COM or the Information; (3) upon request by SJC at any time, you will return and/or certify your complete destruction of all copies of this COM and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless SJC all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this COM and/or any other Information concerning the Property; (5) you will not provide this COM or any of the Information to any other party unless you first obtain such party’s acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that SJC shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.

THE OFFERING



Stan Johnson Company (“SJC”) is pleased to exclusively offer the sale leaseback opportunity of the fee simple interest in a single-tenant industrial asset located at 5800 W 68th St S in Tulsa, OK (the “Property”). The offering consists of 7 buildings on a 25-acre campus comprised of approximately ± 177,000 SF of fabrication, warehouse, manufacturing, and office facilities. The Property boasts several fabrication bays, two top-of-the-line blast and paint facilities, and a state-of-the-art final assembly facility, all equipped with bridge and overhead cranes as well as extensive precision fabrication and machining equipment. The Property functions as Process Manufacturing’s headquarters, who will operate under a long-term, 15-year Absolute NNN lease with annual rent increases.

The Property is ideally situated within a strong industrial corridor of Tulsa between I-44, I-244, and US Highway 75. Its proximity to major arteries, combined with being just west of the Arkansas River and southwest of Downtown Tulsa, draws tremendous industrial and logistics demand. Other major tenants neighboring the property in this industrial corridor include National Oilwell Varco, Green Bay Packaging, and T.D. Williamson. Tulsa is the second-largest city in Oklahoma and home to 25% of the state’s residents. The city also boasts a well-positioned industrial market with steady-to-increasing occupancy, driven by the logistics, manufacturing, aerospace, and oil industries.

Process Manufacturing specializes in manufacturing and assembling custom equipment for the responsible retrieval, treatment, and transportation of energy resources. Their markets include OFS (Oilfield Service Equipment, new and rebuild), Mid-Stream, Chemical Refining and Emissions, and Military. In addition, the company provides repair, remanufacturing, welding, machining, painting, blasting, mechanical assembly, and electrical and hydraulic assembly services to its broadening customer base.



 Price: **\$11,500,000**  Cap Rate: **8.00%**



Subject Property



INVESTMENT HIGHLIGHTS



Mission-Critical Facility

This mission-critical facility operates as the sole fabrication, manufacturing, warehousing, distribution and headquarters for Process Manufacturing operations. The Tenant, Process Manufacturing, utilizes its ± 177,000 SF facilities spread amongst 7 buildings on its 25-acre campus for its comprehensive manufacturing process. From initial fabrication to final assembly, the entire production cycle flows through this facility before delivery and acceptance by its customers. Process is also nearly 100% vertically integrated to minimize any outsourcing.



Tenant Commitment and Investment at Location

Process Manufacturing has made investments in this location after the original buildings were constructed in 1982. Around 2014, 3 new buildings were added - the new Office/HQ and Assembly, an additional paint and blast building, and the assembly and pipe fabrication shop - south of the existing fabrication, painting, shipping and receiving, and warehouse buildings. Other major, business-critical equipment includes approximately 30 bridge cranes and overhead craneways with ranging capacities of 2-ton to 15-ton; extensive precision fabrication and machining equipment; and in-house instrumentation, mechanical assembly, and electrical laboratory.



Strong Competitive Position and Customer Base

After almost 50 years of experience in turning raw steel into high-end, customer specific equipment, Process Manufacturing has established a reputation as a trusted complete fabrication, paint, and mechanical assembly company for the world's largest well servicing company, other customers in the oil and gas production equipment and mid-stream markets, and the U.S. Government. That said, Process Manufacturing continues to strive for best-in-class manufacturing for any item that fits their capability, regardless of the customer's market.



Outdoor Storage and Expansion Area

The approximately 25-acre site includes an ample area on the parcel for outdoor storage and parking. This is a distinctive positive attribute for Process, and is critical for their business. Additionally, the large site provides for nearly 6 acres of additional land on the west side of the property for future expansion of facilities.



Attractive U.S. Metro

The Tulsa metro area boasts a population of more than one million and is home to many large U.S. companies such as Williams Companies, ONEOK, BOK Financial Corporation, NORDAM, QuikTrip, AAON, Magellan Midstream Partners, Manhattan Construction Company, Helmerich & Payne, Inc., and Spirit AeroSystems.



Sale Leaseback with Long-Term Passive Income

At closing, Process Manufacturing will enter into a new, 15-year long-term lease on an absolute NNN basis. The lease will include annual rental increases with 4, 5-year options which provides a stable, passive investment for investors.



PROPOSED LEASE OVERVIEW

Tenant	Process Manufacturing
Leased Building Area	± 177,000 SF
Land Area	± 25.00 acres
Ownership Interest	Fee Simple
Commencement Date	At Close of Escrow
Base Lease Term	15 Years
Base Annual Rent:	\$920,000
Rent Per SF	\$5.20
Rent Per AC Per Month	\$3,067
Rent Increases	2% Annually
Renewal Options	4, 5-year option periods
Lease Type	Absolute NNN - Tenant shall be responsible for all operating and capital expenses



TENANT OVERVIEW



Founded in 1975, **Process Service & Manufacturing Company** is a complete fabrication, paint, and assembly company with over 150 employees and growing. Over the years, Process has established its reputation as a Tier 1 manufacturer and remanufacturer of oilfield pressure pumping and mixing equipment for the world's largest well servicing company. As a result of this long and storied history, Process holds a distinguished pedigree in North America as one of only a handful of true, vertically-integrated, well servicing equipment OEM's. Since being acquired in October 2017 by JCS6 Holdings, Process has opened its doors to many customers within its target markets, further demonstrating its capability to service the demands of a much broader customer base. These markets include OFS (Oilfield Service Equipment, new and rebuild), Mid-Stream, Chemical Refining and Emissions, and Military.

Today, Process is spread amongst 7 buildings on a 25-acre campus and houses approximately 177,000 square feet of manufacturing space. The company's capabilities are vast and include a full-service machine shop; high-definition laser and plasma tables; press brake coupled with robotic manipulators and pinwheels; over 85 MIG and TIG machines; two blast and paint facilities; and state-of-the-art final assembly capabilities for electrical, pneumatic, mechanical, and hydraulic assembly.

-  **46+ Years of Experience**
-  **150+ Employees**
-  **7 Buildings on a 25-Acre Campus**

Fabrication




Process Manufacturing has grown to one of the Southwest's premier Fabrication & Machining centers with approximately 125,000 square feet dedicated purely to these services.

Blasting & Painting



Process has 2 stand-alone blast and paint facilities offering a total of nearly 40,000 square feet. Each blast booth then leads to a fully connected indoor paint room.

Process has established its reputation as a Tier 1 manufacturer and remanufacturer of oilfield pressure pumping and mixing equipment for the world's largest well servicing company. 

Assembly



This is where items machined, fabricated, blasted, and painted at Process are assembled to the customer's final specifications for many of the markets serviced.

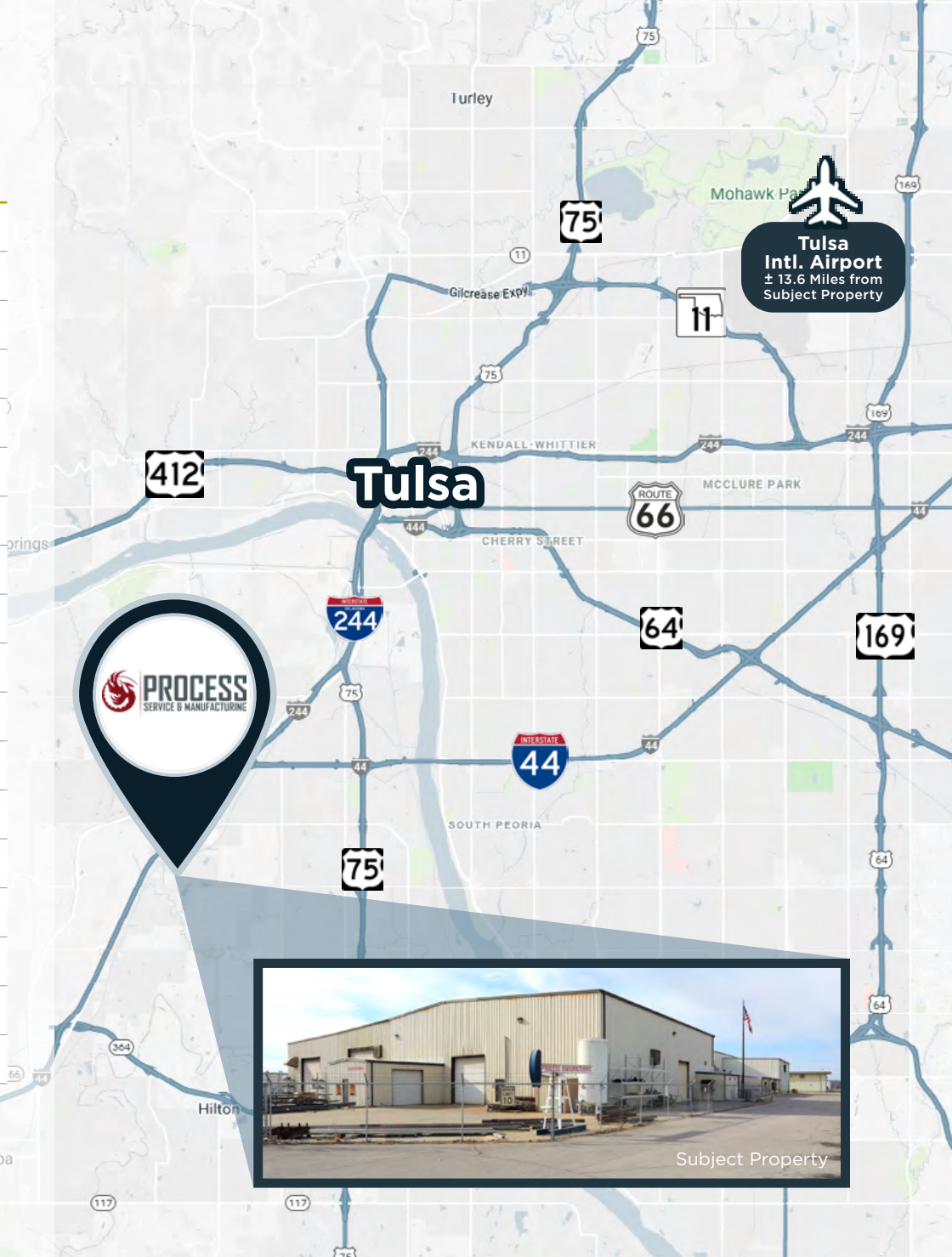
Repair & Remanufacturing



With years of experience manufacturing backside equipment, Process can easily handle repairs and remanufacturing of blenders, hydration units, and even cements, all in addition to their high volume frac lines.

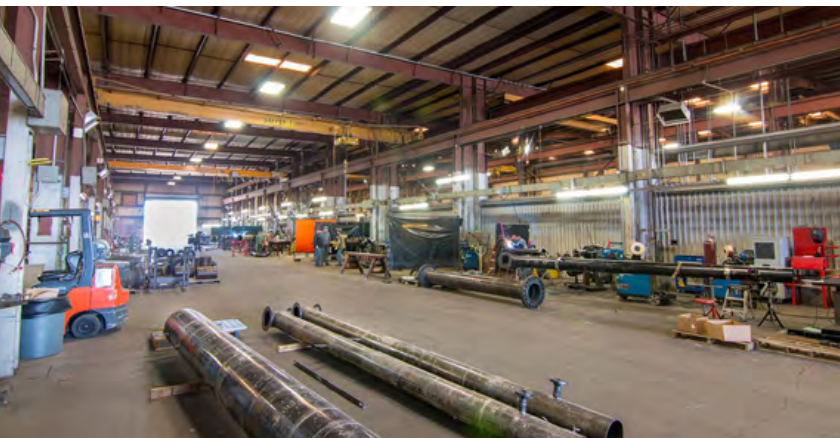
LEASE ABSTRACT

Address	5800 W 68th St S, Tulsa, OK
Property Use	Manufacturing
Number of Buildings	7 Buildings
Total Building Area	± 177,000 SF
Total Land Area	± 25.00 acres
FAR	0.20
Year(s) Built	1982 & 2014
Construction	Metal
Clear Heights	14' - 30'
Overhead Doors	26 grade level doors
Bridge Cranes (2-15 tons)	25
Craneway 300'-600' (Part of Structure)	7
Jib Cranes	4
MIG & TIG Welders	85
Other Welding Systems & Machines	7
Plasma & Laser Cutters	12
Parking	165 marked spaces (0.95/1,000 sf)
Zoning	IH - Heavy Industrial District





SUBJECT PROPERTY PHOTOS



SITE PLAN & FLOW OF OPERATIONS



FACILITIES & EQUIPMENT



Shipping & Receiving

Pipe Fabrication Shop

Dedicated small bore (~<10") fabrication. Complete with saw, pinwheels, and machines.

Office/HQ

Final / Large Assembly

8 overhead cranes up to 15-TON. Capable of assembling complete systems including pneumatics, hydraulics, diesel/electrical drivers, skids, etc. Also houses the dedicated electrical department for in-house panel wiring.

Blast & Paint

2 redundant blast and paint facilities. All recycled bead blast. The newest building being ~100FT x 200FT, separable, 30-TON overhead crane, temperature and humidity controlled.

Machine Shop

3 multi-bit CNC Haas machines, numerous CNC lathes, mills and saws.

Warehouse

Hydrostatic Testing

2000-gallon tank with certified digital instruments, 10K psi pump and fixtures.


Fabrication Shop

95+ welding stations with pinwheels and fixtures (as required). All doors 20' x 20'. Numerous overhead cranes.

AREA MAP



Interstate 44
(54,389 VPD)




Demographic Overview			
From Subject Property	1 Mile	3 Miles	5 Miles
2021 Total Population	1,297	20,537	63,763
2021 Total Households	448	7,768	25,277
2021 Average Household Income	\$93,412	\$86,647	\$55,711



Downtown Tulsa
8 Miles NE from Property

TULSA, OKLAHOMA

Tulsa is the second-largest city in Oklahoma with a 2016 population of 413,505, and the principal municipality of the Tulsa Metropolitan Area, a region with approximately 1.1 million residents (25% of the state population). The gross product of all goods and services produced in the seven-county MSA is \$57.7 billion or around 30 percent of the Oklahoma economy. Though the oil industry has historically dominated Tulsa's economy, efforts in economic diversification have created a base in the sectors of aerospace, finance, technology, telecommunications, high tech, and manufacturing.

The Tulsa metro region perfectly balances convenience and affordability with the advantages of a talented workforce, a central location and a pro-business atmosphere. These assets combine to make an ideal home for progressive companies competing in a global economy. General qualities that attract new companies and others to Tulsa are a sound infrastructure, a cost of doing business that is 15% below the U.S. average and a cost of living that is 10.8% below the U.S. average.

The area's largest employers include AAON, American Airlines, AT&T, Baker Hughes, Bank of Oklahoma, Macy's Fulfillment Center, Spirit Aerosystems and the University of Tulsa. These companies cite many reasons for selecting Tulsa, including a friendly/pro-business climate; a skilled, reliable workforce; low business costs with high value amenities; and an attractive community in which to live and work.

Strong, steady job growth is underway in Tulsa, and attracting and retaining young professionals and skilled workers is key to ensuring continued economic growth. Tulsa has 15 institutions of higher education with a total enrollment of more than 52,000 students. In 2017, WalletHub named Tulsa the No. 4 Best Large City for Starting a Businesses, and in 2016 the Brookings Institute named Tulsa No. 1 among their list of Top Metros for Growth & Inclusion. In 2019, Site Selection Magazine also ranked the Tulsa metro area in the Top 5 for Job Creation.

Transportation Highlights



Tulsa International Airport

Serves 2.8 Million Passengers Annually • Non-Stop Service to 22 Cities
Four Freight Carriers • 13K Employed at 75 Aerospace Companies



Central Location for Distribution Centers

Access to I-44, I-40 and I-35 • 1-2 Day Delivery Time to Major Cities in South-Central Region



Tulsa Port of Catoosa

Year-Round Service • 500-Acre Terminal Facilities
2.3 Million Tonnage • 200-Ton Bridge Crane • Foreign Trade Zone



Railway Access

Two Mainline Carriers: BNSF & Union Pacific • Three Shortline Carriers
Serves Major Industrial Parks Including Port of Catoosa

TULSA INDUSTRIAL MARKET

The Tulsa industrial market has enjoyed consistent absorption and rent growth over the past year. **Overall, the industrial market is proving to be better insulated and is a point of strength in the commercial real estate market compared to other assets.** Demand has continued to be focused on logistics properties, and development has reflected this growth. The passing of medical marijuana in Oklahoma has contributed to budding demand also.

Consistent leasing has kept vacancy rates tight at 3.7%. In turn, annual rent growth is growing at 7.8%, the best performance on record. There has been a lack of speculative construction in the metro, resulting in increased competition among tenants, and rent growth has averaged around 3% annually over the past five years. Through the third quarter of 2022, the market has experienced \$23.3 million in annual sales, on track for another strong year.



Source: Costar Market Analytics



RECENT DEVELOPMENTS

- E-commerce giant **Amazon** has opened its four-story, 2.5 million square foot fulfillment center in Tulsa. The company has started hiring 1,500 employees to operate the facility.
- **Milo's Tea** opened a new production and distribution center at the Cherokee Extension Industrial Park. The company invested \$60 million in manufacturing equipment and construction of an operations center spanning more than 100,000 on a 20-acre site; plans call for hiring 100 employees at the facility.
- **American Airlines** is still committed to moving forward with its investment of \$550 million to expand its Base Maintenance facility at Tulsa International Airport. **This is the largest investment ever made at a maintenance location in the airline's history.** This includes a new 193,000 SF facility, improvements to existing infrastructure, roof replacements, and utility and IT upgrades.
- Another win for the region, Italian tissue manufacturer **Sofidel Group** has completed its 1.8 million SF facility, employing 300 in Rogers County, just east of Tulsa.
- In late 2020 **WPX Energy** was acquired by Oklahoma City's Devon Energy, with the newly merged company headquartered in the state capital. WPX has broken ground on a new 11-story, 260,000 headquarters building at 222 N. Detroit Ave. in Tulsa and, as of early 2022, the company has assured the community they will be completing the project and filling the space with new tenants. It is still scheduled to deliver at the end of 2022.

OFFERED EXCLUSIVELY BY

Jeff Tracy

Director

jtracy@stanjohnsonco.com

OK Lic # 148206

Campbell Black

Associate Director

cblack@stanjohnsonco.com

OK Lic # 179374

POINT OF CONTACT

Mark Grossman

Associate

mgrossman@stanjohnsonco.com

OK Lic # 184615

Stan Johnson Company

6120 South Yale Avenue | Suite 300

Tulsa, Oklahoma 74136

918.494.2690

www.stanjohnsonco.com

GOING BEYOND

The information contained herein was obtained from sources believed reliable, however, Stan Johnson Company makes no guaranties, warranties or representations as to the completeness thereof. The presentation of this property for sale, rent or exchange is submitted subject to errors, omissions, change of price or conditions, or withdrawal without notices.

