

Brown Derby Legacy: Lease Evolution and Land Ownership

Integrity of the Game vs Economic Impact (Politics); The Oklahoma Business Plan

Brown Derby Drive-In—originally operated by Johnny Kneisel as Brown Derby Drive-In—has evolved into a longstanding local icon through a series of strategic lease transfers and operational enhancements. Recent lease assumption, assignment, and amendment agreements executed in September 2021 have secured its presence at 1830 North Kickapoo in Shawnee, OK by transferring the lease to the newly formed Brown Derby Drive In, LLC. This new entity, managed by seasoned professionals from Boomerang Diner Franchising and Boom A Rang Diners, Inc., assumes all obligations under the original 2017 lease while extending the lease term and incorporating modern financial and operational safeguards.

Historical Context

Historical minutes from Shawnee Research provide essential context for Brown Derby's evolution. Early records indicate that the Shawnee Airport Authority approved the original lease for Brown Derby Drive-In in 2017, laying the groundwork for subsequent lease transfers and modifications. More recent meeting minutes from 2021 detail the Consent Agenda that approved the proposal to "transfer, amend, and extend" the Brown Derby lease under the new management structure of Brown Derby Drive In, LLC. These records underscore the City's consistent commitment to supporting this community-oriented enterprise.

Land Ownership and the Instrument of Transfer

A critical dimension of Brown Derby's story is its location on land governed by the historic Instrument of Transfer. Executed in November 1947, this document conveyed significant tracts of property from the United States—via the War Assets Administrator—to the City of Shawnee. The Instrument of Transfer established that the property, including the site where Brown Derby operates, is dedicated for public airport purposes while permitting non-aviation facilities under stringent conditions. This foundation has defined the long-term use, maintenance obligations, and operational limitations of the land, ensuring that developments like Brown Derby contribute to the community without compromising essential airport functions.

Key Financial and Operational Elements

Lease Terms & Improvements

- **Property & Lease Extension:**
The lease covers approximately 23,400 square feet and was originally set to expire in March 2022. An amendment extends the term until August 31, 2026, with successive renewal options.
- **Escalation & Improvement Clauses:**
The lease includes an annual rental escalation based on the Consumer Price Index and requires a minimum of \$10,000 in improvements prior to the first renewal.

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Management Transition

- **Assignment and Assumption:**
The assignment agreement transfers all rights and obligations from Johnny Kneisel (dba Brown Derby Drive-In) to Brown Derby Drive In, LLC.
- **Experienced Leadership:**
Key managerial personnel from Boomerang Diner Franchising and Boom A Rang Diners, Inc. ensure continuity and leverage decades of restaurant management expertise.

City Oversight & Historical Support

- **Municipal Commitment:**
Shawnee Research minutes from earlier meetings consistently reflect the City's support for Brown Derby's operations, reinforcing the importance of stable lease agreements and financial oversight.
- **Operational Continuity:**
Historical records document early approvals and subsequent modifications that have ensured Brown Derby's long-term viability as a community landmark.

Conclusion

Brown Derby's enduring presence in Shawnee is the result of deliberate lease restructuring, proactive management transitions, and a unique land ownership framework. The recent consolidation of lease documents from September 2021—supported by historical Shawnee Research minutes—and the foundational Instrument of Transfer from 1947 illustrate a robust strategy that secures municipal revenue while preserving community assets. By modernizing lease terms, incorporating inflation-based rental adjustments, and mandating property improvements, the City of Shawnee ensures that Brown Derby remains a vibrant part of the local fabric. Moreover, operating on land defined by the Instrument of Transfer imposes long-standing public use restrictions that guarantee the airport's operational integrity while allowing non-aviation facilities to flourish. This integrated approach highlights a successful partnership between local business and municipal governance, ensuring that Brown Derby continues to serve as a beloved community landmark amid evolving market and regulatory conditions.

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References

- **Lease Assumption Document**
(5438_2-_SAA-_Brown_Derby_Lease_Assumption_9_7_21.pdf):
Provided details on the original lease for Brown Derby Drive-In, including lease term, property dimensions, and proposed improvements.
- **Lease Amendment Document**
(5438_4-_SAA-_BROWN_DERBY_LEASE_AMENDMENT_2021.pdf):
Outlined the lease extension until August 31, 2026, the annual escalation clause, and the requirement for capital improvements.
- **Assignment and Assumption Agreement**
(5438_3-SAA-_ASSIGNMENT_AND_ASSUMPTION_AGREEMENT_9_2021.pdf):
Documented the transfer of lease obligations from Johnny Kneisel (dba Brown Derby Drive-In) to Brown Derby Drive In, LLC, ensuring continuity of operations.
- **Shawnee Research Minutes:**
Historical meeting records provided context on the City's long-term support and approval processes for Brown Derby's lease and operational modifications.
- **Instrument of Transfer (Executive AI Summary.pdf):**
This document, executed in November 1947, transferred key tracts of property to the City of Shawnee, establishing the land's use for public airport purposes with specific restrictions. This foundational instrument defines the land on which Brown Derby operates.