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Brian Ellis: A sporting chance at development

Brian Ellis

President and chief operating officer
Nationwide Realty Investors

Education:

bachelor's degree in business, Miami University; MBA, Duke University

On the job since:

January 1997

Community involvement:

chairman, board of commissioners, Greater Columbus Sports Commission; executive committee member, Experience Columbus

By: Kitty McConnell | Columbus CEO Magazine

Nationwide Realty Investors formed on Jan. 1, 1997, to facilitate the building of Nationwide Arena and bring a professional hockey team to Columbus.

"We wanted to seize that opportunity, but in addition to that, we also wanted to have the arena be a catalyst to create, to drive development Downtown," says Brian Ellis, president and COO of Nationwide Realty Investors, or NRI. "As part of that, we negotiated and began to negotiate the acquisition of ground around the arena."

Ellis was instrumental in founding NRI, a subsidiary of Nationwide. NRI has grown from three employees (including Ellis) to a staff of 70 today. Ellis' master plan for the Arena District has developed the area into an entertainment, residential and business district valued at over \$800 million.

A number of Columbus businesses have relocated to the Arena District. Most recently, Columbia Gas announced it would move its headquarters to a new, 280,000-square-foot building between Nationwide Arena and Huntington Park. Nationwide has moved the majority of its workforce to Arena District offices. From NRI's Front Street offices, Ellis oversees the ongoing development.

Q: Nationwide recently moved most of its Dublin-based employees to the Arena District. What's behind that decision?

A: We look for opportunities to do a couple things: One, we want to continue to invest in Downtown



Brian Ellis, president and chief operating officer of Nationwide Realty Investors. Photo Credit: Ryan M.L. Young, Columbus CEO.

Columbus. We believe that the health of the center city is essential to the health of the region.

We had some leases that were expiring in Dublin and had an opportunity to make another move that would continue to help grow Downtown, and in addition to that bring more of our associates together. We look for an opportunity to bring our associates down to our headquarters area.

Q: What has the Arena District development done to define NRI as a mixed-use development company?

A: The formation of Nationwide Realty Investors preceded any idea that we would develop the Arena District. So we expected to be a developer and investor in real estate but had no idea that we would be developing an arena and Arena District.

As a relatively small company, it became influential in what Nationwide Realty Investors has become. The most important reason is that the quality and the profile and the complexity of the projects that we built in the early years of Nationwide Realty Investors enabled me to attract some really, really talented people that wanted to be a part of what we were doing.

Q: What are some new district developments?

A: Far and away, Columbia Gas will be our largest single tenant. They'll take approximately 200,000 square feet in the building, all but one restaurant space, so that's significant. It also is really the last buildings that were on the original master plan, the last office buildings or commercial buildings that we had on our original master plan that we built 15 years ago.

We've been very, very consistently active from a development standpoint, starting when we broke ground on the arena and other buildings in 1998, and we stayed very busy here from then until now.

Q: What's in store for the former casino parcel?

A: We haven't made a final determination. We bought 25 acres. The city is right now working on upgrading infrastructure so it can be developed.

Beyond that, I expect that the majority of the ground will be developed residentially. I think it can be either apartments or condominiums or more than likely a mix of both.

Q: What support are you receiving from the city/county to develop these parcels?

A: To be clear, the commercial buildings in the Arena District—we have not received tax abatements. The buildings for Columbia Gas will receive 10-year, 75 percent tax abatement. Property taxes are paid directly by the tenant, so Columbia Gas will benefit from that incentive.

Q: If a public-financing deal hadn't been done, do you think the district would have had enough going for it as a residential, business and entertainment destination to survive without the Blue Jackets playing in Nationwide Arena?

A: Would it survive? Absolutely it would have survived. Would it have been as strong as it is today? Absolutely not.

Q: Nationwide's original construction costs on the arena were over \$150 million 11 years ago, and it was sold to the county for \$42.5 million. If not a direct financial return, how does Nationwide measure return on its arena investment?

A: We wanted it to earn an appropriate return, but we also wanted it to be a community investment, so we looked at it broadly.

We also looked at the benefit that it would provide to our employees. We thought that developing the arena would enhance our ability to attract and retain talented people. We really look at our investment broadly... the Arena District and all the other investments that surround the arena. They're real estate investments, and we expect to earn an appropriate return for the investments that we're making. ■