

# ULI DEVELOPMENT CASE STUDIES



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## Arena District

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### Columbus, Ohio

Project Type: **Mixed Use/Multiuse**

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### PROJECT TYPE

Built on the site of a former penitentiary, the Arena District in downtown Columbus, Ohio, is a 75-acre (30.35-hectare) entertainment center with the 685,000-square-foot (63,639-square-meter) Nationwide Arena serving as its anchor. The arena is home to the National Hockey League's Columbus Blue Jackets and the Arena Football League's Columbus Destroyers. Developed to help transform the area into a 24/7 neighborhood, supportive retail and restaurants, a movie theater, office space, and residential units constitute the rest of the district in an architectural style that blends historic buildings and facades with new construction. The Arena District is the result of a public/private partnership among Nationwide Realty Investors, the Dispatch Printing Company, and the city of Columbus.

### LOCATION

Central Business District

### SITE SIZE

75 acres/30.35 hectares

### LAND USES

Mixed-Use District, Entertainment Center, Arena, Retail, Office Building(s), Condominiums, Multifamily Rental Housing

### KEYWORDS/SPECIAL FEATURES

- Urban Regeneration
- Public/Private Partnership



- Infill Development
- Adaptive Use

### DEVELOPER

Nationwide Realty Investors  
Columbus, Ohio  
614-857-2330  
[www.Arena-District.com](http://www.Arena-District.com)



### ARCHITECT

360 Architects  
Columbus, Ohio  
614-221-5407  
[www.360architects.com](http://www.360architects.com)



### PLANNER

MSI Design  
Columbus, Ohio  
614-621-2796  
[www.msidesign.com](http://www.msidesign.com)

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## GENERAL DESCRIPTION

The Arena District is a 75-acre (30.35-hectare) master-planned neighborhood in downtown Columbus, Ohio. Originally home to the Ohio State Penitentiary, the site lay barren for more than a decade before it was purchased by Nationwide Mutual Insurance Company during the mid-1990s. Intent on developing more than a stand-alone sports venue, Nationwide hired a diverse team of local architecture and planning firms to revitalize this portion of downtown Columbus.

Today, the Arena District integrates contemporary-styled new construction with the historic facades of existing structures. New residents living within the district are a short walk from the Nationwide Arena and surrounding office space, restaurants, clubs, public parks, a movie theater, and an indoor/outdoor amphitheater.

## THE SITE

When the land was purchased, it included a crumbling state penitentiary, small parcels with a few existing buildings (mostly abandoned warehouses), and several acres of surface parking lots.

The original boundaries of the Arena District master plan were Neil Avenue to the west, Vine Street to the north, Front Street to the east, and Spring Street to the South. Nationwide Boulevard runs through the district like a spine. Nationwide Arena is located at the corner of Front Street and Nationwide Boulevard, adjacent to Nationwide's world headquarters. The boundaries changed as Nationwide acquired more land to the west—where

PromoWest Pavilion and the Condominiums at North Bank Park are now located. As of February 2007, a new minor league baseball park to be sited just west of Neil Avenue is being considered for the Arena District.

## BACKGROUND

In 1834, the Ohio State Penitentiary was built on what was the city's western fringe. After a long history of riots and unrest, including one of the worst prison fires in U.S. history, "the Pen" was forced to close in 1984. At 150 years old, the prison was the oldest continuously operating inner-city maximum security facility in the country.

While the Pen was deteriorating, Columbus's transportation-oriented industries—the city was a hub for manufacturing and transportation in the mid-19th century—were booming. Columbus's rail station, the Union Depot, was rebuilt for the third time in 1897, designed by internationally renowned architect Daniel Burnham. Warehouses, distribution centers, manufacturing facilities, and other businesses reliant on rail transport grew up around the station.

By the turn of the 20th century, Columbus was considered the "Buggy Capital of the World," with more than two dozen buggy manufacturers based in the downtown area. While these companies are gone, several of the buildings have been renovated for new purposes, including lofts, condos, and offices.

In 1993, the 600,000-square-foot (55,742-square-meter) Greater Columbus Convention Center was built just north of and connecting to the Ohio Center, an earlier convention center. The complex was further expanded to 1.7 million square feet (157,935 square meters) in 1999.

Besides a few surface parking lots and the 22-acre (8.9-hectare) Pen site, the land for the Arena District sat mostly vacant for more than a decade. By the mid-1990s, the outer walls of the neglected penitentiary began crumbling, with debris sometimes falling onto cars parked in adjacent lots.

In 1997, Columbus was awarded an expansion team license from the National Hockey League and given a fall 2000 deadline to purchase or build an arena. The city's ballot initiatives to finance arena construction were repeatedly unsuccessful, so Nationwide Realty Investors (NRI), the real estate development subsidiary of Nationwide Insurance, partnered with Dispatch Printing, the parent company of the *Columbus Dispatch* newspaper, and agreed to finance the arena construction in its entirety.

Within a year, the necessary land was assembled. NRI targeted the Pen site and a six-acre (2.43-hectare) site owned by American Electric Power (AEP), and the remaining land was primarily acquired through eminent domain of several surface parking lots by the Franklin County Convention Facility Authority. The city sold the Pen site for \$11.7 million and AEP sold for \$11 million. Franklin County leased the condemned land to NRI, provided the company would construct an arena. The Columbus Blue Jackets—named after the Ohio soldiers who served in the Union Army during the Civil War—played their first game against the Chicago Blackhawks in October 2000.

## DESIGN AND PLANNING

NRI and its team of architects and urban planners surveyed sports arenas in seven other cities to help them envision what a model facility for the city of Columbus would look like. The team wanted to learn from other arenas, but not replicate them. Rather than build an arena in exile from the city, NRI developed a plan for a facility that was integrated within a vibrant urban neighborhood.

NRI chose MSI, a Columbus-based urban planning and design firm, to create the master plan for the district. MSI and the city fashioned a new urban neighborhood intended to seamlessly integrate new and existing buildings with the surrounding streets, walkways, and green space.

Nationwide Arena was placed in a central location at the corner of Front Street and Nationwide Boulevard, just down the road from the convention center. A movie theater and several dozen restaurants will surround the arena,

creating destinations for lunch breaks, evenings, and weekends. As the plan evolved, more entertainment venues were added at the western edge of the district. This location was chosen to disperse pedestrian crowds and minimize traffic congestion throughout the site.

Sited to maximize views of the city and nearby river, residential buildings were spaced throughout the property to keep pedestrians present in all quadrants of the district. Car-free brick paths and alleyways encourage residents to walk to work, eat lunch at sidewalk cafés, and meet friends for special events. The public parks and green spaces link residences, offices, and the Scioto River greenway. These open areas have become popular places for intramural games and pick-up sports.

The overall design of the district blends turn-of-the-century artifacts, such as brick pavers and steel beams, with contemporary, clean-lined building styles. Red brick dominates the buildings, walkways, and streets. Street-level details such as granite curbs, ornate water fountains, and sidewalk plantings are meant to cater to pedestrians. The new construction echoes the historic structures, but does not copy them. Heavy iron doors from the penitentiary are now used as trellises and limestone from the crumbling walls was recycled and utilized throughout the new construction—for example, in the exterior walls of the Arena Grand Theatre and Burnham Square Condominiums, and in the retaining walls along biking and walking paths.

A commitment to historic preservation is seen throughout the district—not just at the structural level, but also by preserving and incorporating the aforementioned artifacts throughout new construction. Several buildings listed on the National Register of Historic Places were renovated and reused and the 660-ton historic Union Station arch (the only remnant of the architectural gem) was moved to the apex of the three-acre (1.21-hectare) McPerson Commons park.

## **NATIONWIDE ARENA**

Kansas City, Missouri–based firm 360 Architecture was tasked with overcoming the behemoth scale of many sports venues and creating a pedestrian-friendly environment at a proportion fitting in with surrounding blocks. The specific site for the 685,000-square-foot (63,639-square-meter) arena was chosen because it slopes to the west and therefore puts part of the interior underground.

The building’s walls and ceilings contain wide expanses of glass, letting in natural light. As with other structures in the district, the solid walls feature a mix of red brick with stone accents. The open interior allows those entering through the main doors to view most of the 20,000-seat bowl. Dispatch Ice Haus, located within the arena building, was the first attached practice facility in the National Hockey League. The arena opened in September 2000 and hosted 1.2 million visitors during its first year.

## **ENTERTAINMENT**

Originally, the Arena District master plan focused on using Nationwide Arena as the primary catalyst for reviving the downtown area. Once planning was underway, NRI saw an opportunity to generate activity 365 days a year, and today an estimated 2.75 million people visit the district’s restaurants and entertainment venues annually.

The Arena Grand Theatre sits across Nationwide Boulevard from the arena. The eight-screen complex was the first cinema built in downtown Columbus since 1928. Dramatic staircases and two-level balcony seating pay homage to early 20th-century movie palaces, while a modern club lounge, leather reclining chairs, and a private screening room bring it into the 21st century.

The Lifestyle Communities Pavilion is located at the western border of the Arena District. This indoor/outdoor music venue features a retractable stage, allowing for outdoor summer concerts on the lawn and indoor events in the 2,200-seat theater during the winter.

## RESIDENTIAL

The Arena District is home to the more than 600 residents living at the Arena Crossing Apartments and Burnham Square. Completed in 2004, Arena Crossing is a 252-unit apartment community on the district's northern edge. Studio, one-bedroom, and two-bedroom apartments sit above ground-level retail space and an underground parking garage for 400 cars.

Completed in 2006, Burnham Square contains 98 luxury condominium units in two buildings. The one- and two-bedroom flats, two-bedroom townhomes, and two-bedroom penthouses all include a patio or terrace that opens onto the adjacent green space. Underground parking is available for each unit.

As of January 2007, a third project—the Condominiums at North Bank Park—is under construction. The 109-unit development is separated into two very different living structures: the Tower and the Lofts. The 20-story Tower building will be enclosed in glass (including the balcony railings), offering unobstructed views of the Columbus skyline and the Scioto River. The 88 two- and three-bedroom units will range in size from 1,600 to 2,800 square feet (148.6 to 260 square meters). The 21 residences at the Lofts will be located in a historic A&P supermarket warehouse building. Three floors of condominiums will sit on top of two floors of above-ground parking. The one- and two-bedroom units will measure 1,500 to 2,500 square feet (139.4 to 232.3 square meters).

## COMMERCIAL REAL ESTATE

As of December 2006, the Arena District includes 1.1 million square feet (102,193 square meters) of commercial space, most of which is Class A office space that is occupied by national, regional, and local businesses. Many of these buildings house more than one business and have restaurants, bars, and shops located on the ground floors.

## FINANCING

NRI estimates that development of the Arena District will total approximately \$550 million at completion. The site was acquired for a little more than \$50 million and an additional \$36 million was spent on infrastructure. The most expensive elements to construct were the entertainment venues (\$195 million) and office/retail buildings (\$144 million). The remaining costs will be accrued by erecting parking facilities (\$67 million) and residential structures (\$56 million).

The Dispatch Printing Company put \$10 million toward arena construction and private investors (who purchased box seats and season tickets) contributed another \$40 million. The city supported development through tax increment financing (TIF) for infrastructure improvements, providing \$16.6 million for the Arena District and \$20 million for surrounding neighborhoods. The city sold more than \$30 million in bonds, which will be repaid by property tax increment generated over 30 years.

Development in the Arena District benefits from two downtown tax incentive programs. The first was introduced in 2002 and allows a ten-year property tax break for new residential projects. The second program, the Downtown Office Incentive Program, provides a yearly payment (equal to 50 percent of the income tax withholding from each new job) to employers who create new jobs downtown.

## MARKETING AND MANAGEMENT

NRI established a marketing committee to oversee sales and leasing within the Arena District. Early in the development process, the committee created a Web site that served as a clearinghouse of information on the project and produced an *Arena District Guide* that was distributed at large events held in the downtown area.

Prior to building the Arena District, Columbus largely lacked downtown housing and therefore lacked venues by which NRI could market urban housing. Traditional print advertisements were used to sell single-family homes on

the edge of the city. Instead, the residential components of the Arena District were sold by word of mouth, by handing out print media at special events, and by advertising in weekly alternative newspapers and on Web sites that discussed downtown living. E-mails and Web sites were posted on banners.

Knowing it was entering a new market, NRI did not target a specific buyer group but instead focused on anyone interested in the downtown lifestyle. Buyer surveys confirmed the diversity of homeowners within the district. The majority of owners are empty nesters, young professionals, and singles attracted by low maintenance, short commutes, and urban conveniences.

### EXPERIENCE GAINED

Once vacant and derelict, the Arena District today has over 3,600 employees who work in 40 businesses, and the new construction generates more than \$4.4 million in property tax revenue for the city annually. Several key elements account for this success.

**Commitment.** Early on, NRI determined that it would be essential to build more than a stand-alone arena to revitalize the downtown. The design and planning teams were fully integrated to ensure that a vibrant, walkable community was created and that connectivity with surrounding infrastructure, green space, and buildings was preserved.

**Design.** Blend the best of urban and suburban planning to create a compact environment that is also attractive at a human scale.

**Vision.** The project participants from NRI clearly articulated their vision for the Arena District by creating a very detailed comprehensive plan and then followed through on their principles and aspirations.

**Timing.** Act quickly to demonstrate commitment. NRI rapidly assembled the land and completed infrastructure improvements so that some restaurants were open and office buildings were under construction when the Columbus Blue Jackets played their first game.

**Flexibility.** The master plan provided general guidance, but successful delivery of the Arena District required flexibility and innovation. The ability to adapt the original plan allowed NRI to capitalize on opportunities, such as increasing the number of entertainment venues to attract visitors 365 days a year. In response to the softening office market in early 2001, NRI used planned office space for the first residential project, Arena Crossing Apartments.

PROJECT DATA	
LAND USE INFORMATION	
Site area (acres/hectares): 75/30.35 Percentage complete: 75 Number of off-street parking spaces: 10,041	
GROSS BUILDING AREA	
Use	Area (Gross Square Feet/Square Meters)
Arena	685,000/63,639
Office	862,837/80,160
Retail	123,181/11,444
Residential	716,320/66,548
Parking	2,980,180/276,868
Arena Grande, Lifestyle Communities Pavilion	68,000/6,317

**LEASABLE AREA**

Use	Area (Square Feet/Square Meters)
Office net rentable area	818,382/76,030
Retail gross leasable area	119,709/11,121
Residential	587,400/54,571
Arena Grande, Lifestyle Communities Pavilion	68,000/6,317

**NUMBER OF STORIES PER BUILDING**

Two stories: 2 buildings  
 Three stories: 1 building  
 Four stories: 2 buildings  
 Five stories: 5 buildings  
 Six stories: 3 buildings  
 Seven stories: 2 buildings  
 Twenty stories: 1 building

**ARENA INFORMATION**

**Primary Users/Sports Teams**  
 National Hockey League, Columbus Blue Jackets  
 Arena Football League, Columbus Destroyers

**Seating Capacity**  
 Hockey: 18,500  
 Basketball: 19,000  
 Concerts: 20,000  
 Club seats: 1,748  
 Suites: 52, each seating 12 to 18, plus standing room  
 Party tower suites: 6, each seating 24 to 48, plus standing room

**RESIDENTIAL INFORMATION**

Unit Type	Floor Area (Square Feet/Square Meters)	Number Sold/Leased	Range of Initial Sales/Rental Prices
Burnham Square Condominiums	963-2,391/89.5-222	73	\$229,000-\$650,000
Arena Crossing Apartments	510-1,835/47.4-170.5	251	\$625-\$1,835/month

**OFFICE INFORMATION**

Percentage of NRA occupied: 91  
 Number of tenants: 39  
 Smallest tenant size (square feet/square meters): 631/58.6  
 Largest tenant size (square feet/square meters): 92,175/8,563  
 Annual rents (per square foot/square meter): approximately \$14-\$28/\$151-\$301  
 Average length of lease: 5 to 20 years

Office Tenant Size (Square Feet/Square Meters)	Number of Tenants
Under 5,000/464.5	10
Between 5,000 and 10,000/464.5 and 929	15
More than 10,000/929	14
Total	39

**RETAIL INFORMATION**

Tenant Classification	Number of Stores	Gross Leasable Area (Square Feet/Square Meters)
Food service	11	2,010-12,375/187-1,150

Clothing and accessories	1	5,000/464.5
Recreation/community	4	10,789-44,000/1,002-4,088
Financial	3	3,500-16,000/325-1,487

Percentage of gross leasable area occupied: 71

Annual rents (per square foot/square meter): approximately \$21-\$32/\$226-\$344

Average length of lease: 5-15 years

#### DEVELOPMENT COST INFORMATION

**Site Acquisition Cost: \$50,683,585**

**Infrastructure Cost: \$32,600,000**

**Construction Cost: \$464,121,406**

Office/retail: \$143,495,173

Parking: \$66,942,754

Residential: \$55,889,470

Media (ADTV & Telecom): \$2,948,766

Entertainment venues: \$194,845,243

**Total Development Cost at Completion: \$547,404,991**

#### DEVELOPMENT SCHEDULE

Site purchased: 1997

Planning started: June 1997

Sales/leasing started: May 1998

Construction started: June 1998

Phase I completed: September 2000

Project completed: 2012 (projected)

#### DRIVING DIRECTIONS

*From Port Columbus International Airport:* Head west on I-670; 4.3 miles (6.9 kilometers) later, take Third Street/US-23 South (exit 4b) and merge onto North Third Street. Turn right at East Spring Street and then take another right onto North Front Street. Garage parking is available at either the Front Street or Marconi Boulevard garages. Surface parking is available to the west of Nationwide Arena and along Front Street.

*Driving time:* 15 minutes in nonpeak traffic.

Alexa Bach, report author  
 Jason Scully, editor, *Development Case Studies*  
 David James Rose, copy editor  
 Joanne Nanez, online production manager



This Development Case Study is intended as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI—the Urban Land Institute.

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1025 Thomas Jefferson Street, N.W., Suite 500 West, Washington, D.C. 20007-5201



The Arena District in downtown Columbus, Ohio, is a 75-acre (30.35-hectare) entertainment center consisting of retail, restaurants, a movie theater, office space, and residential units with the 685,000-square-foot (63,639-square-meter) Nationwide Arena serving as a focal point. Courtesy of Nationwide Realty Investors



Home to the National Hockey League's Columbus Blue Jackets and the Arena Football League's Columbus Destroyers, the Nationwide Arena and the entire Arena District are the result of a public/private partnership among the Dispatch Printing Company, the city of Columbus, and Nationwide Realty Investors. Courtesy of Nationwide Realty Investors



Courtesy of Nationwide Realty Investors

At the western border of the Arena District is the Lifestyle Communities Pavilion, a music venue with a retractable stage that allows for outdoor summer concerts on the lawn and a 2,200-seat indoor theater during the winter. Courtesy of Nationwide Realty Investors



Three residential projects have been built or are under construction in the district: Burnham Square contains 98 luxury condominiums in two buildings; the Arena Crossing Apartments (pictured here) offers 252 units; and under construction as of April 2007, the Condominiums at North Bank Park will feature residences in both a 20-story tower and a historic A&P supermarket warehouse structure. Courtesy of Nationwide Realty Investors



Courtesy of Nationwide Realty Investors

The Arena Crossing Apartments consists of studio and one- and two-bedroom apartments over street-level retail and an underground parking garage with space for 400 cars. Courtesy of Nationwide Realty Investors



Courtesy of Nationwide Realty Investors

In addition to stores, entertainment uses, and residential units, the Arena District includes 1.1 million square feet (102,193 square meters) of office space and multiple parks, including the three-acre (1.21-hectare) McFerson Commons Park, which is now home to the Union Station arch. The 660-ton arch is the only remnant of the Daniel Burnham–designed Union Depot rail station. Courtesy of Nationwide Realty Investors



The Arena District site plan. Courtesy of Nationwide Realty Investors