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Cover Story

Nashville's retail powerhouse: 'He puts deals together that other people don't even think about'

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Before sunrise every business day, the most prolific Nashville developer you've never heard of pings his 72 employees. The brief email is a contrast in motivation, containing an inspirational quote while flashing the tenacity that spawned a business with \$900 million of active construction in 22 states.

"Let's go," George B. Tomlin types to his co-workers. "Speed wins."

Tomlin has amassed his own real estate empire during the past 30 years, but not any of the visibility that usually comes with development. That's partly by choice and partly a result of his work, which is void of headline-grabbing high-rises and often happens in second- and third-tier markets in other states.

Now, Tomlin is attempting to parlay his retail success into more complicated and prominent urban, mixed-use projects. Multiple bidders sought to add him to their development team when vying to buy the downtown campus of LifeWay Christian Resources in 2015. Target has talked with him about opening an urban store in Nashville. He has a \$100 million office project in the works in Brentwood. With \$65 million of ongoing construction in Hillsboro Village, and ambition to replicate those projects Charlotte, Dallas, St. Louis and elsewhere, Tomlin's GBT Realty Corp. is finally poised to hit the radar.

"I come in here every day like somebody's chasing me," Tomlin, 61, said during an exclusive interview in his suburban Brentwood office. "I was born with that edge."

GBT Realty has built 35 million square feet of big-box stores and shopping centers nationwide, anchored by Walmarts, Targets, Dollar Generals and grocery stores. GBT also has built standalone stores for Starbucks, AT&T, Panera Bread and other clients. Tomlin employs way more people than most developers, including architects, engineers, site scouts, property managers, researchers, accountants, three attorneys and four full-time paralegals.

"If a retailer calls and they want a change, and you have to call the architect and wait three or four days, that's not 'speed wins.' That's what everybody else does," Tomlin said.

Tomlin, the son of a bookkeeper and a buyer for a local drug store, dropped out of junior college after three months and later started his own company right after his wife, pregnant with their second child, had quit her job, too. Tomlin has scrapped his way into an elite circle — he said he invests in The Southern Steak & Oyster, one of the earliest hits for prominent restaurateur



NATHAN MORGAN | NASHVILLE BUSINESS JOURNAL

George Tomlin is founder, president and CEO of GBT Realty Corp.

Tom Morales, and he's gone duck hunting with esteemed banker [Jim Ayers](#), who calls Tomlin one of the toughest negotiators he knows.

"Their growth rate is pretty dizzying. It's doggone strong," said Ayers, chairman and main shareholder of Nashville-based FirstBank. "We don't spend a whole lot of time worrying about making a bad loan to him. If we have any worries, it's that he is such a negotiator. If you're going to do business with George, you've got to extend favorable terms. They're terms we wouldn't do with just anybody, put it that way."

Dealmaker's mixed-use 'vision'

Tomlin's speed and agility has defined critical moments in his company's history. He's shifted his approach several times.

In 2008, at the onset of the recession, Tomlin converted his business into a new line of work, developing single-tenant buildings. He said he didn't have to lay off any employees.

"Even during the recession, he was making deals while other people were home crying," said Gordon Inman, regional chairman at FirstBank and one of Nashville's banking veterans. "He puts deals together that other people don't even think about."

The example Inman cites is Village 21, which marked Tomlin's debut in mixed-use development. The \$45 million project involves 101 apartments and 22,000 square feet of commercial space, on one acre that Regions Bank owned in Hillsboro Village.

"I said, 'George, how in the hell did you get that? That's one of the best pieces of property in all of Nashville,'" Inman said. He recalled Tomlin telling him that he went to Regions' Birmingham, Ala., headquarters to pitch officials on downsizing their Hillsboro Village branch and redeveloping the rest of its property.

"That vision is what makes him different than most," said Inman, who himself was a developer of shopping centers in Brentwood and Franklin and also downtown Nashville's second-largest hotel, which today is the Renaissance. "I'd never have thought to drive to Birmingham and say, 'I have a plan.' I used to be in real estate before banking, and I just didn't have that vision."

Tomlin said he sensed a chance to capitalize on Nashville's urban revitalization, and the same growth happening in other cities. He said he was following the lead of his clients and that mixed-use offers GBT a chance to gain exposure with more specialized retailers who he doesn't normally work with.

He believed banks offered his best entry into mixed-use development because many of them are downsizing as online banking becomes more popular. His history with Regions dates to the roots of his company, as he built the lender a branch in Green Hills and he leased a downtown building for the bank's state headquarters at the time.

"If you do the same thing all the time, with no change and no advancement, you won't last long," he said.

It all began with Walmart

Tomlin made a major change to his company just three years in. He began by buying and building office buildings in Green Hills and downtown, including one on Union Street that's now being turned into a boutique hotel. Within three years, Tomlin made an abrupt shift that proved to be rocket fuel: developing around Walmarts, an idea that hit him while working with an engineering firm that also did work for the giant retailer.

"When Walmart went to a city, they would create a whole new submarket just by where they located. We wanted the land across the street and next-door, because other retailers and restaurants and banks all wanted to be around that Walmart," Tomlin said.

Tomlin said the switch from office to retail was easy. Retailers sign 15- or 20-year leases and are responsible for everything inside their store. Office tenants usually sign leases half that long and haggle with the developer over the design of their space.

"You could easily see that you made more money and had more fun," Tomlin said.

That doesn't mean it is simple. Often, a retail developer needs leases signed with all tenants before even buying a property. Every retailer has preferences for who they do and don't want located next-door.

And as with any development, zoning issues can derail a project. In 2011, Tomlin pursued a mixed-use development in Brentwood alongside Nashville developer H.G. Hill Realty Co. GBT wound up selling its interest to H.G. Hill after city officials and residents opposed the apartments and other features of the project, which became Hill Center Brentwood.

"Retail site selection is an art. A half-a-block the wrong direction, or being in the wrong mix of tenants, can make or break a retail center," said David Baker, a principal at Baker Storey McDonald Properties, which brokers leases for retailers. "George doesn't give up. He will come up with an idea and won't let go until it happens."

Profitable, persistent and picky

Tomlin expects to kick off one mixed-use project per year, a notably slower pace than GBT's prolific retail projects. He said he's passed up 15 to 20 prospective sites in Nashville. The scope of the Village 21 project is about the largest GBT would do on its own, Tomlin said.

GBT has involved Orlando-based LeCesse Development in a proposed project in St. Louis with 300 apartments and 55,000 square feet of retail space, including an organic grocer.

"Lots of people have jumped into that arena in the last several years. We're very picky. It's potentially more profitable for us, because we don't have to do them to make a living," Tomlin said. "Some people in that arena are making very, very little money. Those are the people who have to do it. We can step back and be particular."

Tomlin declined to disclose annual revenue, and he said he has not set an investment target for his nascent "diversified development" division. He teased that he has several potential projects yet to be announced.

"Even though we've done more development than probably any other company headquartered in Nashville — period — we don't run around and let everybody know that. We don't see it necessary," he said.

George Tomlin

Title: Founder, president and CEO

Company: GBT Realty Corp.

Age: 61

Employees: 72

Hometown: Nashville

Education: Franklin High School

Family: Wife, Wanda; two children, Ford Tomlin and Olivia Tomlin Dial, both GBT employees

Career: Managed local office buildings at his half-brother's company; hired by New York City-based WM Capital Partners to run its Southeast office; oversaw the Southeast for American Diversified Capital Corp., then one of the largest developers in the nation; formed GBT Realty (then GBT Investments) in 1987

Adam Sichko

Senior Reporter

Nashville Business Journal

