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COLUMBUS BUSINESS FIRST

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Columbus Wood Products hits buzz saw in down market

Business First of Columbus - by Kevin Kemper

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A supplier of wood millwork to the homebuilding industry has fallen into receivership and its east-side home base has gone into foreclosure.

Columbus Wood Products LLC, a supplier of mouldings, columns, doors and building materials, was put into receivership at the request of **PNC Bank**. According to filings in Franklin County Common Pleas Court, it and two affiliated businesses, **Nacht Holdings LLC** and **Nacht Management Inc.**, owe the Pittsburgh-based bank more than $1.5 million.

Columbus Wood Products remains in business but faces challenges, said Bob Kowalski, the court-appointed receiver with Capital Market Consultants Inc. in Granville.

“I’m still in the putting-out-fires stage,” he said. “The company has a long way to go, but it has a lot of potential.”

PNC also filed a foreclosure lawsuit against the owners of the Design Market Place building that houses Columbus Wood Products and three independent businesses. According to court documents, Columbus-based **1800 Fifth Avenue Holdings LLC**, identified as the owner of the 275,000-square-foot building, defaulted on a $6.2 million mortgage.

Kowalski said Nacht Holdings appears to be the owner of Columbus Wood Products and 1800 Fifth Avenue Holdings, but William Kloss, PNC’s attorney with the Columbus law firm **Vorys Sater Seymour & Pease LLP**, said it is unclear who owns what among the affiliated businesses.

“The receiver is trying to figure out all the various relationships,” he said.

Keeping the doors open

A former Rhodes Furniture warehouse, the Design Market Place on East Fifth Avenue was envisioned as a one-stop destination where homebuilders and buyers could peruse product displays from multiple suppliers.

But Kowalski said Nacht Holdings never signed enough tenants to make it viable.

Columbus Wood Products ended up being responsible for about 200,000 square feet, far more space than it could support and double what it had occupied before moving from its previous home near **Ohio State University**’s west campus.

“There’s evidence of numerous decisions management made that proved to be poor decisions,” Kowalski said.

Anthology Hardware, Scioto Kitchens and a Michael David flooring retailer are the other tenants at Design Market Place.

Messages left with former Columbus Wood Products CEO Paul Rackoff were not returned.

Peter Merkle, an **NAI Ohio Equities LLC** agent marketing the property, said plans call for Columbus Wood Products to shrink to about 60,000 square feet in the building so a new owner would have room for another tenant. Kowalski said the business has 18 employees, down from 40 at one point.

Kowalski said PNC wants Columbus Wood Products to stay in business because it has established a loyal base of clients since it was founded in 1982 and serves a niche market.

“One option is always to have the sheriff come in and lock the doors and hold an auction,” he said, “but in this case we felt there was a viable company.”

Once the company is straightened out, Kowalski said PNC will look to sell it.

Merkle said the asking price for the property is $4.2 million. That’s a discount from how much has been put into it, he said, which court records indicate is more than $6 million. The Franklin County Auditor’s office estimates the value to be about $4.17 million.

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