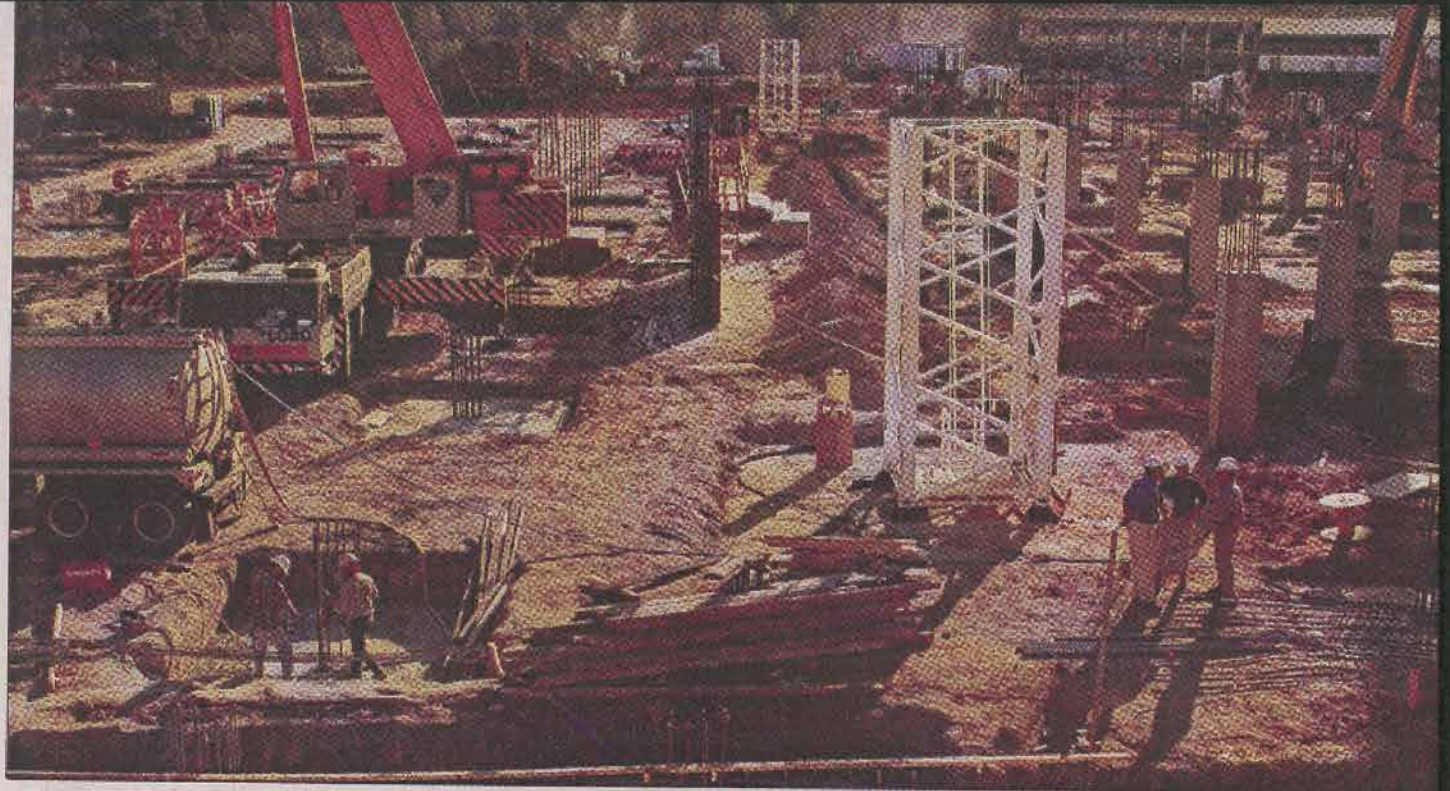


Business

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The new North Hills is to look like a village, with an open-air shopping environment plus a hotel, two office towers, 300 apartment units and 50 condos.

STAFF PHOTO BY SHER STONEMAN

North Hills skeleton rising

Target among stores that will join Penney

By SAMANTHA THOMPSON SMITH
STAFF WRITER

RALEIGH — What was once North Hills Mall is now a mess of red clay and maze of steel beams.

But give it a year. By then, Target will be selling Halloween costumes. The Marquee Cinemas will be showing the latest spy thriller. And Pulse Athletic Club will be signing up new members.

Six months since the wrecking crew started demolishing the Triangle's first mall, John Kane's new creation — a distinctive, \$200 million shopping, dining, office and residential complex — is starting to take shape at Six Forks and Lassiter Mill roads.

Already, Target has a roof and a date for opening: Oct. 10, 2004. The steel beams for the 14-screen movie theater are visible from Six Forks Road. And all the red clay has been moved off to

the side for a new underground parking deck.

Despite the progress, Kane is still fielding questions, trying to help people understand just exactly what the project will be.

"When it opens, everyone is going to get it," said Kane, who owns Kane Realty in Raleigh. "Right now, they don't have a clue."

One of the best ways to describe it is by what it's not. It's not a mall, although it will still have the former mall's J.C. Penney building (and J.C. Penney as a tenant) and its name, North Hills. Nor will it be a big-box shopping center, even though Target, synonymous these days with big-box, is one of the key anchors.

Mixed in between Penney's and Target, in an open-air shopping environment, will be a day spa, a hair salon, a sports bar, at least a dozen restaurants, fashion boutiques, a 200-room upscale hotel, two office towers, a 300-unit



Raleigh's redeveloped North Hills will open next year, but the final phase will not start until 2005. This model shows the project at Six Forks and Lassiter Mill.

JIM SINK PHOTOGRAPHY

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apartment building and a 50-unit, eight-story condominium building.

That's in addition to the Harris Teeter, Brothers dry cleaners, Blockbuster Video and Kerr Drug that are already a part of the complex across from the mall at Lassiter at North Hills.



John Kane's redeveloped North Hills is scheduled to open Oct. 10, 2004.

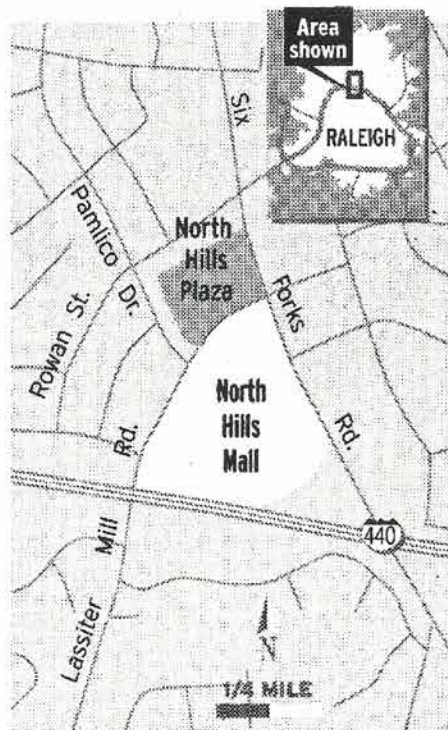
lower level of North Hills Mall used to be. Shoppers can park there and take an escalator to the top level and walk around the center, which Kane said will be packed with chairs and benches, tree-lined walkways and outdoor seating at restaurants.

Kane's reluctant at this point to talk about tenants, other than the ones that have already been announced, including Target and Marquee Cinemas. Some of the

complex across from the mall at Lassiter at North Hills.

"I think, to me, it's like a European village," Kane said. "It's just unduplicated around here."

What also makes the center unique is the underground parking, where the



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lease deals are still being negotiated. Kane said he hopes to be able to announce more tenants and which company will be the brand behind the hotel in the next two months.

A few restaurant owners have already said they're coming to North Hills: Q Shack, the new barbecue restaurant created by Durham restaurateur Scott Howell; Charlotte-based Firebirds Rocky Mountain Grill; and the '40s-themed burger chain Johnny Rockets.

Pulse Athletic Club, which Kane also owns, plans to take about 50,000 square feet around the

back of the complex near Target. The club will have a pool, gym, day-care services, steam room and sauna and space for yoga and other classes.

Those tenants will join Penney, which has kept its North Hills Mall store open during the demolition and construction.

The project will be completed in phases over the next few years, with a bulk of the stores and restaurants opening next fall. Other parts of the complex, such as the condominiums, will take longer to open, because construction won't start until early 2005.

When the project is completed, it will be the third life for the 40-year-old mall that started as a small strip center anchored by a Winn-Dixie grocery. In 1967, it was converted into a mall, one of the first enclosed malls between Washington and Atlanta.

But the mall's status as a shopping leader faded quickly as the competition began swarming. Crabtree Valley Mall opened nearby five years later with more stores and more space, eclipsing North Hills. North Hills never regained its status, in part because of owners over the years who made renovation promises they couldn't keep.

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