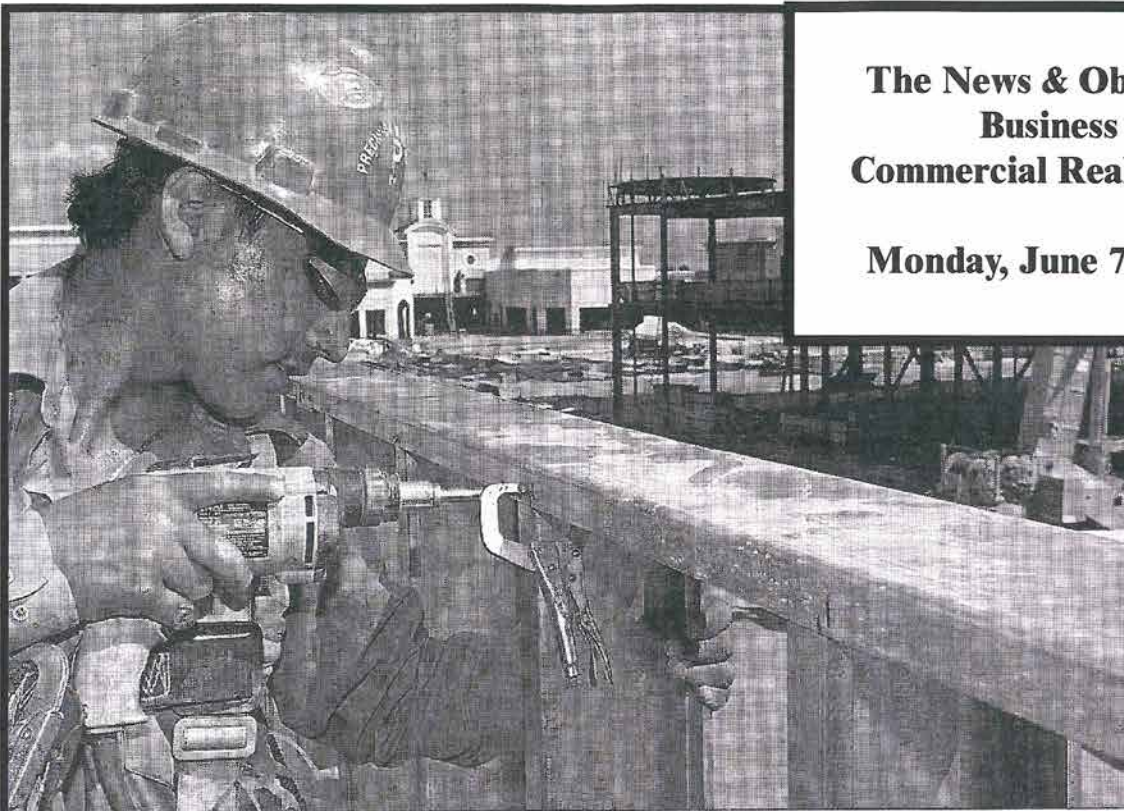


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Miguel Hernandez Reyes with Precision Walls works on a steel structure for a building's facade at North Hills in Raleigh. The project will include a hotel, a movie theater on top of a Target and many restaurants.

STAFF PHOTO BY MEL NATHANSON

North Hills filling up

Marriott hotel among more than 80 percent of project that is committed

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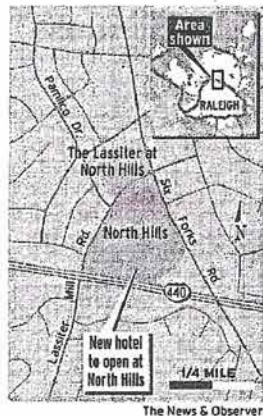
RALEIGH — John Kane's vision for the redeveloped North Hills never has been an easy one to convey.

He had elaborate models to show tenants. And there were drawings to show the neighbors. But neither was the perfect tool to adequately show the community what was coming, mostly because what he envisioned had never been built in the Triangle.

But in the past few weeks, as the new North Hills started taking its real shape, going from steel beams to actual walls, windows and rooftops, people are finally starting to get it.

"I've watched and wondered for months," said Jennifer Bass, 32, of Raleigh, who's a regular at J.C. Penney, which has stayed open throughout the demolition of North Hills Mall and redevelopment of the new North Hills. "I really didn't know what to expect. But I really didn't expect to see what I've been seeing."

In place of the big, boxy mall, which was one of the first to open in the state in 1967, Kane is building the first mixed-use project of its kind in the area, stacking a 14-screen movie theater on top of a Target, and surrounding them with boutiques,



restaurants, offices, a condominium building and a hotel.

Kane said the complex will be pedestrian-friendly, with a fountain near the main entrance off Six Forks Road, and plenty of places to stroll after a meal or benches to sit on to wait for a movie to start.

So far, 35 tenants have signed on, and about 83 percent of the available 730,000 square feet of retail and office space is committed, said Kane, of Kane Realty, the Raleigh-based company that is redeveloping North Hills.

Two of the biggest tenant deals came in the past few weeks. Kane was able to snag the area's first Marriott Re-

naissance Hotel and lure Jolly's Jewelers & Silversmiths from its longtime home in Cameron Village.

Kane said by having the 240-room hotel, which will start construction in the fall and be completed by late 2005, North Hills will be more attractive to potential office tenants, who want a hotel nearby for visiting clients. So far, the Class A office space is attracting smaller professional groups, including law firms, insurance companies and architectural groups, Kane said.

"The hotel is just one more amenity to the site," he said.

More tenant names should be out soon. Kane just returned from a shopping center convention in Las Vegas, meeting with more retailers and restaurants. Kane said he specifically saved some key spaces for tenants that might have passed on the project early on, either because they didn't understand Kane's vision or weren't sure about the market's demographics.

The tenant list so far is heavy on restaurants and a mix of local and national retailers, such as the wine superstore Total Wines & More, Ben & Jerry's, Frances T. King Stationery and Highsmith Home.

There are familiar names coming to North Hills, too, including Durham restaurateur Gior-

gios Bakatsias, who will open a second Verde Cafe at North Hills, Scout & Molly's, a women's clothing store with a location in Falls Village in Raleigh, and Von Kekel, a salon with a location in Cary.

The project also will have some exclusive tenants. Johnny Rockets, known for its burgers and shakes served in a retro decor, and Mama Fu's, an Atlanta-based Asian noodle chain, both picked North Hills for their first Triangle locations.

The biggest draw, however, likely will be Target, which will open Oct. 10.

Most of the restaurants and stores will open by Nov. 15, in time for holiday shopping. The movie theater and new Gold's Gym likely will open in November.

Most retailers have been drawn to the site because its location has a broad reach.

"To me, that area is the bridge between customers inside the Beltline and North Raleigh," said Fiquet Bailey, the owner of the apothecary Luxe, who was among the first retailers to sign on to North Hills at the Lassiter at North Hills across from the mall. "Location was a huge factor for me."

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