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July 24, 2002

New life for North Hills

Author: Samantha Thompson Smith; Staff Writer

Edition: Final

Section: Business

Page: D1

Index Terms:

retail

real estate

development

North Hills Mall

John Kane

Kane Realty

Estimated printed pages: 3

Article Text:

RALEIGH -- The owner of **North Hills Mall** plans to transform the site of the Triangle's oldest **mall** into a massive collection of shops, restaurants, condominiums, offices, hotel and 16-screen movie theater.

More than a year and a half after John Kane of Kane Realty bought the 39-year-old **mall**, the shopping center developer expects to file his plans with the city today for a \$200 million redevelopment project.

When it's complete, **North Hills** will be converted from the 565,000-square-foot enclosed shopping **mall** familiar to many longtime Raleigh residents into a pedestrian-friendly neighborhood center where shoppers can walk to get groceries or a prescription, catch a movie and shop at high-end boutiques.

"It's going to be a different experience than going to an enclosed **mall**," Kane said. "Our goal is to make it a place where you can get everyday needs, where you can work, go to a movie or meet a friend for a glass of wine."

Although the site plan submittal is a huge step for the project, Kane still has plenty of work ahead, including landing some key tenants and talking to neighbors who haven't yet signed off on the latest plans for the project.

The highlights of the **North Hills** plan include a 140,000-square-foot Target store, a 16-screen movie theater, a 150- to 170-room hotel, space for more than 70 shops and restaurants, two condominium projects and 80,000 square feet of office space. In all, the center will have about 550,000 square feet of retail space, less than the 648,000 square feet it had before the renovation.

"There aren't a lot of locations in the Triangle with this kind of mix," said Mike Williams, managing partner at Karnes Research, which tracks Triangle real estate.

If site plan approvals, including those from city planners and the Raleigh City Council, are completed by the fall, construction could begin as early as January, when the bulk of the existing **North Hills Mall** will be demolished.

The **mall**, at Six Forks and Lassiter Mill roads, will stay open through the holidays. Kane estimates that some of the project could be complete by fall 2004. Construction on the residential building could begin by spring and be completed by fall 2004.

Once the **mall** is torn down, work first will begin on the **mall** side, which will include small and large spaces for retail and restaurants connected by a series of "main streets" for shoppers to walk along.

Target will be among the first built. The discount retailer, which will have about 600 parking spaces nearby, will face Interstate 440 and will be somewhat hidden because it will be located in what is now the **mall's** lower level. The cinema will sit on top of Target. J.C. Penney will stay and become part of the open-air marketplace.

Kane said he's still negotiating with theater operators, including Charlotte-based Eastern Federal, for the cinema space. Bill Wilson, director of real estate for Eastern Federal, said the company has a strong interest in the site and is still studying the economics of the deal.

Kane said it's still too early to say what retailers will take space in the open-air market. A number of existing and former **mall** tenants, many of which are run by locals, are considering signing leases, but he's also talking to national and regional tenants about deals. The spaces range from 500 square feet to 30,000 square feet.

Kane also is planning a four-story condo building, which could become rental units, along Pamlico and Rowan streets. That building also will have a street-level strip of shops with about 40,000 square feet of space. Another eight-story condo is planned nearby with about 70 units.

Two 6,000-square-foot restaurants will sit at the bottom of the tower, which will be developed by Trammel Crow Residential once the residential market improves. The plans also show space for a hotel, but a deal hasn't yet been signed with an operator, Kane said.

The bulk of the redevelopment work already has been completed across from the **mall** at The Lassiter at **North Hills**, which is anchored by a Harris Teeter.

Neighbors have been one of Kane's biggest hurdles in getting the project plans completed. He has been working with the **North Hills** Neighborhood Association to meet their concerns.

Bert Rosefield, the group's president, said that six of the group's nine board members have looked at the newest plans, which he calls a "vast improvement" over the last ones. He said elements of the project are appealing, including the concept of a neighborhood shopping area that's pedestrian-friendly.

However, Rosefield said that until all board members have seen the plans and neighbors weigh in with thoughts, they won't know what concerns need to be readdressed by Kane. "We want everybody to get educated on what's proposed so we can see what opposition there is on the various parts of it," he said.

The group's board meets tonight, which will be followed in the next few weeks by a meeting with the entire membership.

Kane is encouraging communication with neighbors. Drawings and plans will be on display, and brochures will be available starting today at the Storehouse location on the **mall's** lower level.

Caption:

John Kane of Kane Realty says some of the **North Hills** project could be complete by 2004.

Staff Photo By Harry Lynch

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Record Number: gzr6yz89