

REAL ESTATE INC.

John Kane proposes big tower project at Dillon Supply site in downtown Raleigh

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Raleigh developer John Kane and the owners of the Dillon Supply Co. in downtown Raleigh have filed the first Raleigh rezoning application for 2015, and it's a big project that's likely to attract a lot of attention throughout the year.

Kane has confirmed that his company, Kane Realty Corp., is working on plans to build a large-scale, mixed use development project in downtown Raleigh's burgeoning Warehouse District.

The development would be on the 2.5-acre site that Dillon Supply, a 100-year-old Raleigh company, still uses for warehousing of its building supply products at the corner of West and Hargett Streets, according to the rezoning application that was filed Jan. 9 and signed by Dillon Supply's president, Dean Wagoner.

The zoning designation that Kane has requested would allow for construction of a mixed-use building – or buildings – of between 13 and 20 stories high in the downtown district.

Kane, who is best known for his development of North Hills in midtown Raleigh, confirms that the group's early plans for the downtown site include both an office tower and a residential tower, but he gave few other details. The buildings would be connected by a parking deck with retail space on the ground floor of the buildings.

The application also states that the proposed rezoning is consistent with the city's policy for "underutilized sites in downtown," which encourages the redevelopment of surface parking lots and brownfield sites like much of the Dillon Supply property.

The site is also across from the new Citrix Building – itself a redevelopment of a former Dillon Supply warehouse – that recently sold for \$68.5 million, and it is across from the proposed Union Station transit center that will eventually combine train, bus and commuter rail services into one central area in downtown Raleigh.

Sources say the potential land deal for the Dillon Supply site is valued at more than \$11 million.

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JOHN WEST
Dillon Supply Warehouse, West St., Raleigh.

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