

# The News & Observer

## January 5, 2003

### Something new for North Hills

By RICHARD STRADLING  
STAFF WRITER

John Kane wants residents of Raleigh's North Hills to feel good about his \$200 million makeover of the North Hills Mall and Plaza. He says he hopes someday to sit down over coffee with Bert Rosefield, the neighborhood association president.

Kane and Rosefield aren't quite that chummy yet. But Kane did mollify Rosefield and other North Hills residents enough to win unanimous approval for his project from the City Council in November and kept his name from

#### TAR HEEL OF THE WEEK

becoming an epithet or part of a slogan on a protest sign. "The last six months, really the last year, were almost like running a political campaign," Kane said.

North Hills is a high-profile project for a typically low-key developer. Kane built his career on suburban shopping centers, often finding tenants and managing property for someone else.

But Kane says North Hills offers a chance to build something

with far more character than a typical strip mall and embodies what he likes most about being a developer.

"I have a chance to change things — things that can improve the way people live," he said. "And I think that's pretty neat."

Next spring, wrecking crews will begin carting away pieces of North Hills, the Southeast's first two-level shopping mall. Kane and his backers bought the mall in January 2001 for \$15.5 million, a little more than a year after buy-

SEE TAR HEEL, PAGE 3B



North Hills mall principal owner John Kane says the mall's redevelopment offers 'a chance to change things — things that can improve the way people live.'

NEWS & OBSERVER FILE PHOTO

THE NEWS & OBSERVER  
SUNDAY, JANUARY 5, 2003

City&State

3B

### TAR HEEL

CONTINUED FROM PAGE 1B

ing the plaza for \$8.2 million.

By the fall of 2004, Kane and his partners plan to build a 150-room hotel, a Target store, a movie theater, offices and dozens of other stores and restaurants laid out on a "main street" with sidewalks and on-street parking. Across Lassiter Mill Road, they'll build 370 condominiums, some atop stores next to the renovated plaza, which Kane has renamed The Lassiter.

By mixing so much on so little land — 45 acres in all — Kane brings to the Triangle a form of development more common in megalopolises such as Atlanta or Washington, D.C.

The "new" North Hills, as Kane calls it, will butt up against the old North Hills of 1960s split-levels and single-story ranch houses on spacious lots.

Kane worked hard to sell his project, both in North Hills and in city hall. He hired a public relations firm and solicited e-mail messages and letters of support from North Hills shoppers. He delivered a 10-page glossy booklet to every doorstep in North Hills that explained his vision and answered questions.

"Really, the hardest task is behind him now," said Kieran Shanahan, the city councilor who represents North Hills. "With the environment of the City Council

#### JOHN M. KANE

**BORN:** June 19, 1952, in Roxboro

**FAMILY:** Married with four children, ages 12, 17, 18 and 21

**EDUCATION:** Bachelor's degree in business, Wake Forest University, 1974

**CAREER:** Four years with George W. Kane Inc. before founding Kane Realty in 1978

**HOBBIES:** Working out, golf, reading, attending children's games and recitals

**FAVORITE URBAN SPACES:** Siena, Florence and the small towns of Italy

**FAVORITE SHOPPING CENTER:** None. "So many of the shopping centers to me are just mundane."

**RECENT BEDTIME READING:** "My Losing Season" by Pat Conroy

and this anti-development fever that seems to have caught on, it takes some political footwork to get through it."

Feelings toward Kane among North Hills residents run to extremes. Some are happy with his plans; others "view him as the devil incarnate" for imposing such large buildings on their neighborhood, said Becky Hodge, who lives a block from The Lassiter and serves as spokeswoman for the neighborhood association.

In the end, the association didn't fully endorse Kane's project but won't continue to fight now that the city has given its blessing, Rosefield said.

As for that cup of coffee, Rosefield said he gets along well enough with Kane that it may happen someday.

"He is polite and an easy person to be around," Rosefield said. "I also found him difficult to move off of his position, and I found him to

be a man who likes to win. I think he won more than he lost. But I think we won some, also."

#### Important family role

For now, Kane directs the coming changes to North Hills from a warren of windowless offices in the bowels of the doomed mall. Surrounded by sketches and plans for North Hills and The Lassiter, Kane juggles tenants and partners on the phone and heads a staff of 15.

"I'm probably a typical ADD," he said, referring to attention-deficit disorder. "I'm always doing two or three things at once."

Kane, trim at 50, works out every day at the Pulse health club he owns in North Raleigh and is sure to make time for his children: three sons, ages 21, 18 and 17, and a 12-year-old daughter. He says he rarely misses any of their games or recitals.

"You've got to show them that your love is unconditional," he said.

Kane went to work for his father's construction firm, George W. Kane Inc. of Durham, right out of college and was eventually put in charge of managing several pieces of property. In 1978, at age 27, he put together his first real estate deal, finding investors to buy a 220,000-square-foot shopping center in Greenville from his father's company.

Kane Realty went on to build or renovate shopping centers throughout North Carolina and Virginia, from free-standing Food Lions to the 750,000-square-foot Tanglewood Mall in Roanoke, Va. It also built a Sheraton Hotel in Rocky Mount, assembled land for what later became the Centrum shopping center in Cary and is redeveloping University Mall in Chapel Hill.

By 1995, Kane Realty had 70 employees and was managing 24 shopping centers and office buildings. That year, Kane sold the company's portfolio to Konover Property Trust of Cary, saying he wanted to get back to developing property rather than managing people.

"I'm somewhat shy by nature and introverted, and that's probably not the best profile to manage people," he said.

Clifton Benson Jr., the retired president of Carolina Builders Corp., long-time friend and part-

ner on The Lassiter, said Kane manages his shyness just fine, though he isn't one who thrives in the spotlight.

"I don't think he desires all the publicity that goes with all this, the controversy that came with the rezoning and all that stuff," Benson said. "But it's a job that he has to do."

#### Untested plan

Kane has long had his eye on North Hills Mall and Plaza. Overlooking the Beltline near some of Raleigh's most affluent neighborhoods, it's one of the best chunks of real estate between Northern Virginia and Atlanta, he said.

As a teenager in Henderson, Kane rode down with his family to the mall in the late 1960s, to visit Ivey's department store and Furr-Hackney, a "suburban living store" that sold housewares and sporting goods. It was a trip to the city for a small-town boy.

Kane, who now lives in a \$1.9 million home within a mile of the mall, believes the future of retail lies in "mixed-use" centers like the one he's building at North Hills, which aim for the ambience of an old downtown and where people work, live and shop in one place.

Mixed-use on Kane's scale is untested in the Triangle. He said he couldn't find lenders willing to back the whole project and had

to finance the hotel and condos separately. Likewise, while Kane has built and leased stores, offices and a hotel, he has never done all three at once or with condos thrown in.

"It's certainly stretching our limits, that's beyond a doubt," he said.

Benson says he doesn't worry that Kane will follow through on North Hills.

"He's just a bulldog," Benson said. "He takes something, he sticks with it. He just stays there and works it and works it and works it, and it just takes that type of person."

City officials hope Kane succeeds as well. They think mixed-use development will help the city control traffic as it grows, by allowing more people to walk from home to work or work to shopping.

City Council member Janet Cowell said Kane's North Hills is a hybrid between a suburban mall and a true downtownlike center but is a significant move in the right direction.

"So, obviously you want these things to be successful so other people will follow in their path and push the envelope even farther," Cowell said. "It seems that he has the business skills and the focus to pull this off."

Staff writer Richard Stradling can be reached at 829-4739 or rstradl@newsobserver.com.