



Top Of The Hill

Charlotte-based Hill Partners cultivates retail opportunity in interesting submarkets throughout the Carolinas.

Katie Foxworth Lee

Hill Partners knows retail. And the industry knows Hill Partners — mainly from its successful track record with nationally renowned projects like The Village at Sandhill in Columbia, South Carolina, and The Town Center at Levis Commons in Toledo, Ohio. But Hill Partners, founded in 1983, hasn't slowed down to savor that success: currently the company is charging forward with three bold new retail developments in Asheville and greater Winston-Salem, North Carolina, as well as Charleston, South Carolina.

Though a national commercial real estate company, Charlotte, North Carolina-based Hill Partners has always felt especially at home working in the Carolinas. The region is also rapidly growing, which gives Hill Partners plenty of opportunity to meet increasing demand. With a convergence of new residents moving to the Carolinas from north and south, the region is only getting denser, more affluent, and more in need of better quality goods and services. This is just the sort of demands a development company likes to fulfill.

"You've got a lot of people moving down from the Northeast that are tired of



Hill Partners plans a unique mixed-use project in historic Biltmore Village, located just outside the Biltmore Estate in Asheville, North Carolina.

the colder winters; they are looking for a more moderate climate," says Bob Spratt, president of Hill Partners, Inc. "You have a lot of people coming down from the Midwest, too, chasing the employment opportunities, the better lifestyle. You've got a number of people also who have moved — maybe they are getting to retirement age — down to Florida and then because

of all the recent storm activity, they have moved halfway back up. And the beneficiary of the 'half-backs' is the Carolinas. You are getting hit from all angles."

Though not as dense as the Mid-Atlantic or the Northeast, the Carolinas still boast formidable affluence, as well as well traveled and extremely educated residents. In fact, the Research Triangle between Raleigh, Durham and Chapel Hill, North Carolina, boasts the second highest concentration of Ph.D's in the country (behind California's Silicon Valley). Couple those high education levels with rapid population growth and you have an enviable recipe for success for developers in the Carolinas. Hill Partners plans to deliver three stellar new projects to feed those growing numbers.

BILTMORE VILLAGE

Deep in the heart of the scenic Blue Ridge Mountains, Asheville, North Carolina, has always held its own quirky appeal. The laid-back mountain lifestyle has been a retreat for many people over the years, including the Vanderbilt family who built their sprawling 250-room Victorian home in Asheville in the 1890s. Today, Hill



The Village at Sandhill in Columbia, South Carolina, is one of Hill Partners' premier lifestyle projects. Kahn Development is leasing the center.



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Partners plans a new mixed-use development in the historic planned community of Biltmore Village, located just outside the Biltmore Estate.

"[The Biltmore Estate] currently attracts over 1 million tourists a year, which helps to throttle the sales within this historic district," Spratt says.

The pedestrian-friendly Biltmore Village currently offers 30 shops and 10 restaurants, well located between two major Interstate 40 interchanges. Strategically situated, retailers in the village are able to draw from the older demographic to the north side of the market as well as the most

affluent demographic that has cropped up in recent years on land parcels formerly owned by the Biltmore Estate. Adjacent to Biltmore Village stands the wealthy neighborhood of Biltmore Forest, which Spratt calls perhaps the most premier residential development in all of North Carolina.

"The whole Asheville market is going through an incredible evolution," he adds.

In the Biltmore Village historic district, Hill Partners purchased land on Brook Street, on one of the two avenues feeding into the Biltmore Estate. The company plans a 70,000-square-foot, three-level, mixed-

use development with 35,000 square feet of ground floor retail with excellent visibility on Brook Street. Also included will be 35,000 square feet of second-level Class A office space overlooking the district. According to Spratt, 80 percent of the retail space is currently committed to the project, which is scheduled to open in late 2007 or early 2008.

CLEMMONS TOWN CENTER

In Clemmons, North Carolina, a suburb of Winston-Salem, Hill Partners plans a much larger project, a 540,000-square-foot open-air development called Clemmons Town Center. "It is the first lifestyle center in the market," says Spratt. "We currently have commitments in place from a [movie] theater, and we have site approval from some of the key lifestyle retailers, which are really key to the success of these lifestyle centers."

According to Spratt, the center is merchandised toward apparel, lifestyle and home furnishing uses, as well as incorporating restaurant and cafe uses. The project will also include a 60,000-square-foot Class A office component.

In early February 2007, Hill Partners closed on a \$6 million acquisition of Clemmons Village West, a 16,675-square-foot center located at the main entrance of the new project. Current tenants include Panera Bread, Marble Slab Creamery and Dream Dinners. The company also plans to acquire 50 acres adjoining the site through rezoning, all of which will be integrated into the master plan of Clemmons Town Center, which is scheduled to open in fall 2008.

"Everything is cued up and right now it's just tying down leases and moving forward," Spratt says.



The Town Square at Daniel Island will span 420,000 square feet at the main entrance of Daniel Island, South Carolina, near Charleston.



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unique environment that is unlike anything else in the market.”

The Town Square at Daniel Island will comprise approximately 420,000 square feet of destination, specialty and lifestyle retail, restaurants, cafés and coffee shops, all integrated into a pedestrian-friendly, multi-use setting. A 480-unit residential component and a mid-level hotel will round out the mixed-use offerings. The \$200 million project is expected to open sometime in 2009. **SCB**

Hill Partners' Clemmons Town Center, located near Winston-Salem, North Carolina, is a 540,000-square-foot lifestyle project opening in fall 2008.

THE TOWN SQUARE AT DANIEL ISLAND

In Charleston, South Carolina, Hill Partners is busy with another significant development — also with interesting historical connections — located off Interstate 526 at the main entrance to Daniel Island.

In the early 1990s, construction of Interstate 526 (Charleston's beltway) finally opened up the 4,000-acre island for development. The island was master-planned by the Guggenheim family of the Guggenheim art museum, and, like the Vanderbilts' Asheville retreat, Daniel Island was used as a hunting retreat for the Guggenheim family. "Once 526 landed on the island, it opened it up," Spratt says. "And it's been absolutely spectacular what has happened since."

First to go up was some of the most exclusive residential development in the market, from \$400,000 condominiums to estates worth over \$5 million. Following this residential boom has been the office sector, attracted to Daniel Island for its ability to service several nearby submarkets, including Mount Pleasant, North Charleston and the west side of the market off I-526. The island also has two championship golf courses, and the Charleston Battery soccer club has moved to Daniel Island. Great schools also moved into the market. For all these reasons and more, Daniel Island is an enviable location for any developer.

"We were fortunate enough to win a national competition last spring on a 52-acre tract that is immediately at the main entrance onto Daniel Island," Spratt says. "We've been in pre-development discussion with tenants, trying to create a real