

# Ballantyne adds office condos

Developer plans \$9.4M project in fast-growing south Charlotte market

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The 47,000-square-foot complex follows a similar project Brookchase built in Matthews.

Brookchase Properties is drawing plans for a \$9.5 million, 44,000-square-foot office condominium development off Ballantyne Commons Parkway.

The project, to be built on 4 acres on Williams Pond Lane, will offer space for purchase at \$200 to \$225 per square foot, but units may also be leased for about \$20 per square foot.

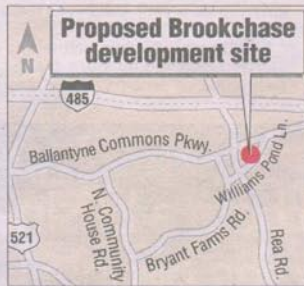
Matthews-based Brookchase is targeting professionals who want to own their offices.

The development's tentative name is Stonecrest Professional Center, but that could change, says Brookchase owner Garry Smith.

The proposal calls for construction of seven buildings, five of which would be single-story. Two buildings would have two-story end caps with a one-story middle.

Smith has filed a rezoning to permit the development, seeking a change to office from single-family residential. A public hearing is scheduled for Sept. 19, with a City Council decision expected Oct. 19.

Smith hopes to start construction by February or April, with the first units to be available by late summer of 2006. The proposed zoning would allow up to 45,000 square feet of



development, though Smith says he will likely build no more than 44,000.

"It's a great address," he says, noting the units won't compete with large office developments nearby such as The Bissell Cos.' Ballantyne Corporate Park or the Lichtin Corp.'s Toringdon.

"Let Smoky (Bissell) put up all the big ones that are all for lease," Smith says. "We're looking for the insurance agent, the chiropractor — mostly smaller business people who want to buy their space."

The Ballantyne area is a proven market, with a strong corporate base, says Jon Middleton, senior associate at real estate consulting firm Warren & Associates.

Most of the area's office space is for lease. Offering small, for-sale space fills a niche for small-business owners who want to take advantage of low interest rates and the benefits of a Ballantyne location, he says.

"There are still lots of smaller businesses — dentists and orthodontists and whoever else may want to own their own space — because interest rates are still low," Middleton says.

"If we see a rise in rates, then I think we'll see people going back to leasing more," he adds. "But right now, it's more cost effective to buy."

Smith recently completed a similar project in Matthews called Matthews Professional Center. He developed that 47,000-square-foot project in a joint venture with Terry Predzimirski of Diamond Oak Development.

A general contractor has not been selected for the Ballantyne development, which is being designed by Urban Architectural Group.

# New telecom lining up for entry here

Xspedius has acquired ICG assets

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Another telecom firm is moving into Charlotte, promising to turn up the competitive heat in hopes of attracting business customers.

St. Louis-based Xspedius Communications is buying the customers and assets of ICG Communications Inc. The deal is expected to close in mid-June.

The purchase includes ICG's customers and a substantial fiber network with direct connections into 80 buildings in the Charlotte area, says

retrenched to a few key markets.

Charlotte is one of five Southern markets in which Xspedius is buying ICG's operations. Others include Atlanta; Birmingham, Ala.; Louisville, Ky.; and Nashville, Tenn., all of which

## QUICKINFO

### XSPEDIUS COMMUNICATIONS

**What it is:** St. Louis-based telecom that targets business customers.

**Entering Charlotte:** By acquiring assets and customers of ICG Communications.

**Competitors include:** US LEC, Time Warner Telecom and BellSouth

deal born out of something short term. We have a good strategic view for our company."

About 75% of Xspedius' revenue comes from direct sales to small and mid-sized businesses that prefer dealing with a small telecom, Muench says. Rivals include US LEC Corp., Nuvox, ITC DeltaCom and Time Warner Telecom.

The balance of revenue comes from selling access to its network to large telecoms such as Sprint, AT&T Corp. and MCI Corp.

In both parts of its business, Xspedius also competes directly against BellSouth.

Xspedius was formed through mergers of several telecom firms,