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06 >



It Takes A Village

When Matthew Haley opened Fish On outside Lewes last May, it wasn't his first restaurant in an unusual location. In 2001, he and his former partner Greg Talcott launched Redfin on undeveloped marshland on Route One north of Bethany.

"I have that 'Field of Dreams' thing," Haley says. Fish On was the first business to open in the downtown district of the Villages of Five Points, a new business and residential development outside Lewes that has become an alternative to the beaches' downtown areas.

"Nothing was here when we opened," Haley says. "We basically opened in a cow field and we're thinking, 'OK, is anybody going to find us?'"

"It took about three days and we got rocked and it's never stopped."

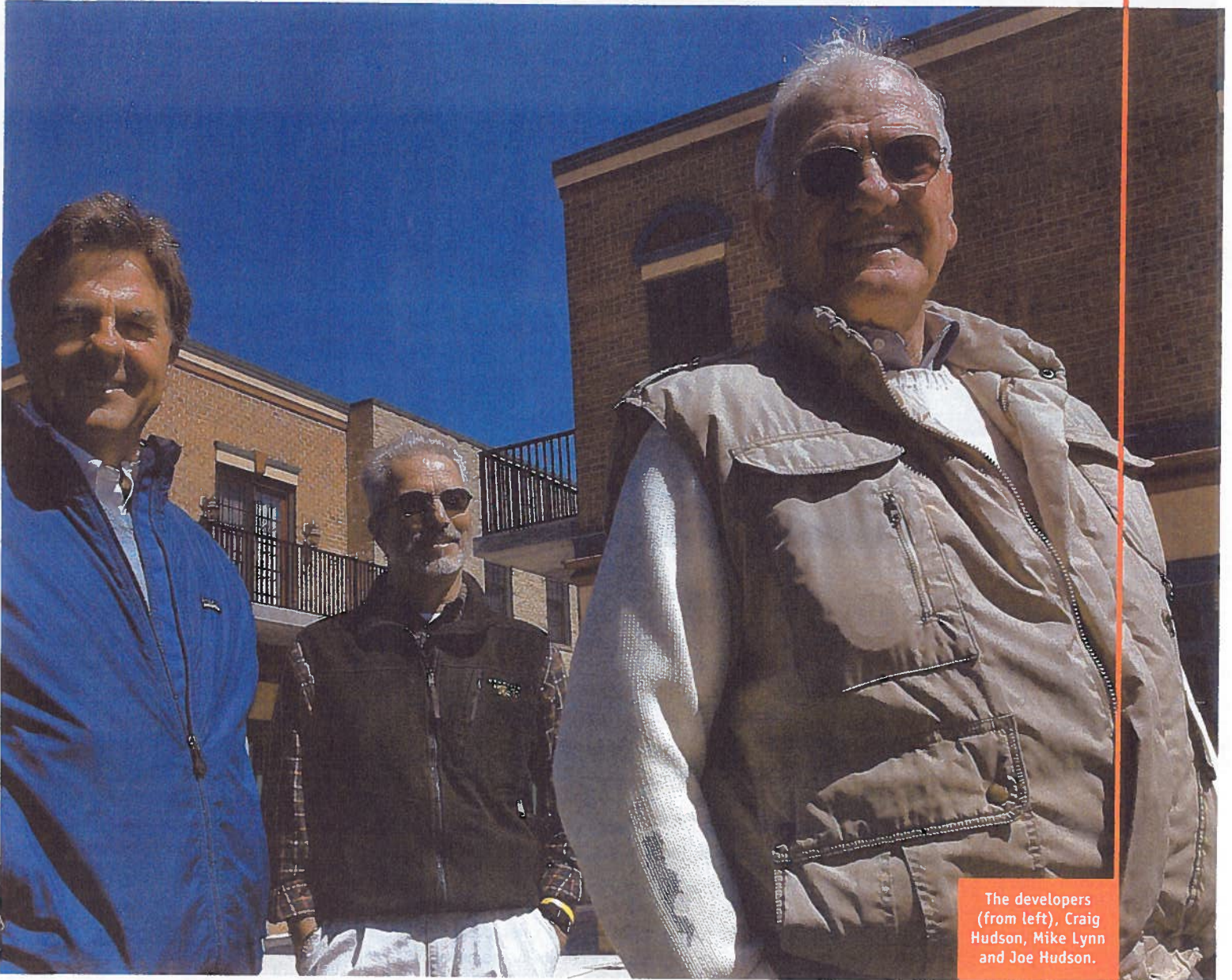
Developer Craig Hudson admits he wasn't quite sure what he wanted to do with the 200 acres at the corner of Route One and Savannah Road in Lewes when he bought the property for approximately \$3 million in 1998.

Hudson has developed real estate with his father Joe since he graduated from college. He grew up in Sussex County where 12 generations of Whites (his mother, now deceased, was Faye White Hudson) made a living in farming and later crop-dusting. At the peak, they farmed 4,000 acres for soybeans, corn and other vegetables.

"We figured out in the early '80s that we couldn't make any money in farming," Hudson says. "So we decided to get into real estate."

He and his father started with small single-family subdivisions like Seatowne near Fenwick Island, and then they developed mobile-home communities including Rehoboth Bay and later

A new town emerges from the sprawling growth at the beach as developers try to create a sense of permanence and community.
by Shannon German



The developers (from left), Craig Hudson, Mike Lynn and Joe Hudson.

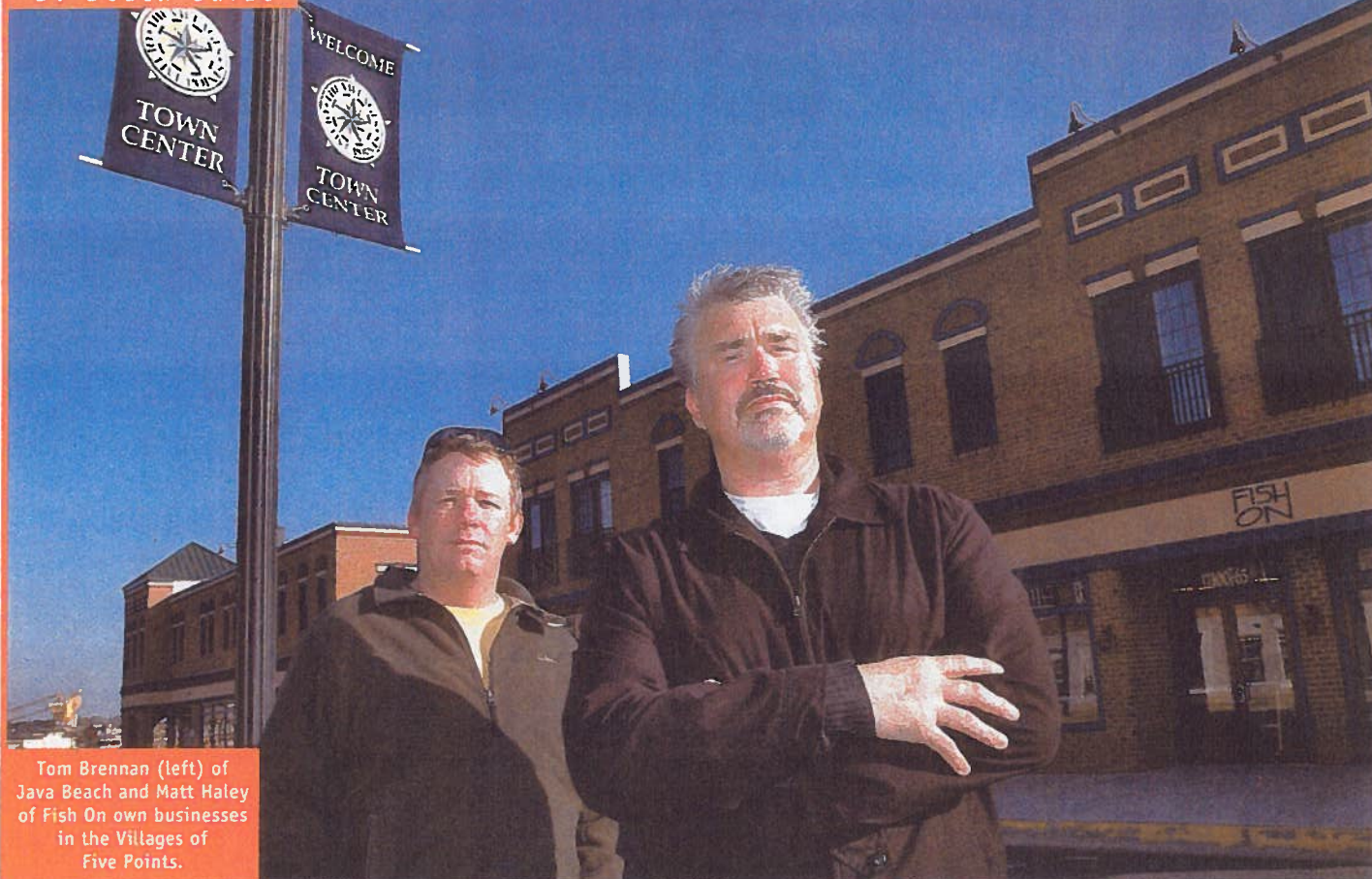
Angola Beach and Estates. They've created various small residential developments including Cripple Creek in Milton, Bayridge Woods in Angola and Sugar Maple Farms and Cedar Creek Landing near Milford. "Overall, Dad and I have developed upwards of 2,000 units," Hudson says.

The Villages of Five Points is their

biggest project yet and their first mixed-use community, so they took on a partner, local builder and developer Mike Lynn of RDM, who has developed property with Carl Freeman Associates. Both the Hudsons and Lynn agreed a mixed-use community would be the best use of the land, plus it was a new trend at the time, an idea they picked up as members of the

Urban Land Use Institute, an international trade group for real estate development.

"We were very fortunate that it was large enough that we could do that," Hudson says. The Villages of Five Points sits on 200 acres. "We couldn't do it with a 20- or 30-acre piece." They began the project more than five years ago by visiting nearby small towns with



Tom Brennan (left) of Java Beach and Matt Haley of Fish On own businesses in the Villages of Five Points.

architect James Ritter from Alexandria, Va., Martin Dusibber of GMB in Lewes and Jeff Clark of Land Tech in Oceanview. "We picked and chose the things we liked best about each area," Hudson says. They were particularly influenced by the downtown areas in Berlin, Md., and Dover. And, Hudson says, "Because the Villages of Five Points is near Lewes, we tried to incorporate Lewes' core values, a neighborhood of walking communities with a downtown commercial area."

The Villages of Five Points has 586 living units including condos, townhouses and various sized single-family homes, all surrounding a downtown area with a grocery store, bank, gym, salon and spa, retail shops and restaurants.

"We have a shopping center with the basic staples, and a core downtown," Mike Lynn says. "That is unique in the area right now. It gives the 586 eventual owners a place to congregate, a destination."

The Hudsons sold a portion of land at the entrance of the development to Wilmington developers Harry and

Michael Simeone. They brought in Food Lion and filled a shopping center with a gym, café, Chinese restaurant, video rental and other in-demand services. The Hudsons also sold a portion to County Bank, a locally owned company where many area residents do their banking.

That helped make the Villages of Five Points a destination for outsiders as well.

Business owners took note. Homes continue to be built in and around the Lewes area, since Rehoboth is pretty much maxed out. In an attempt to attract more year-round business and offer customers convenience and accessibility, some businesses have moved or expanded from the downtown areas.

Kevin Reading must have noticed his customers were fed up with the lack of parking downtown. Last year he sold his Rehoboth restaurant Espuma to open Nage in a strip center on Route One, where parking is plentiful. Jake's Seafood opened a second location on Route One, and Java Beach opened a larger café on Route One next to Big Fish Grill to attract more than just vacationers.

Many residents consider the intersection of Five Points to be the new hub of Sussex County since it connects the north and west with the beaches. Business owners see the potential of the growing area and like the idea of making their businesses accessible to more than just those people in downtown Rehoboth. After all, year-round residents and summer vacationers have spilled out of the downtown area and gone north, south and inland, where housing is more affordable.

On **June 25** from 3 p.m. to 5 p.m. the Villages of Five Points will host an **Independence Day** celebration with entertainment by the Milford Community Dixieland Band, stilt walkers and jugglers as well as cookie decorating, face painting and an antique car show. More than 500 people attended the Winter Wonderland event in December and the May Day event last month, so organizers expect 750 to turn out for the fun this time around. Visit www.thevillagesoffivepoints.com for more information.

With the growth came a shift in the beach area's hub as people tired of traffic, downtown construction and the lack of parking. The Villages of Five Points attracts those people.

"I think what has attracted businesses is the concept of having a community surrounding the downtown area instead of a strip mall on Route One," Hudson says.

Tom Brennan, co-owner with Jeff Hamer of Java Beach Bagel Co., opened the Rehoboth Avenue coffee shop five years ago. Two years ago they opened a second location on Route One. They serve homemade bagels, pastries and breakfast items as well as gourmet soups, salads and sandwiches to a booming lunch crowd. They also offer free Internet, and have become a popular business-lunch destination.

But Brennan noticed that 80 percent of his lunch deliveries were going to Lewes, where there are many doctors' practices, law offices and other businesses. "There's tons of growth up there," he says.

So when Craig Hudson, a regular customer, approached Brennan and Hamer about opening a third location at the Villages of Five Points, they saw the potential.

"Traffic in Rehoboth Beach is so bad," Brennan says. His customers come from both sides of the highway and from the north. The Lewes customers constantly asked when the store in Five Points was going to open. It finally did last month.

"There's so much growth five miles up the highway," says Krissy Clary, Java Beach general manager. "People who come to this area are drawn here because of downtown Rehoboth, but in reality we all spend a lot of time outside the Avenue."

Hudson and Lynn hand-picked specific local and well-respected businesses to open at the Villages of Five Points because they wanted to create a downtown area with vibrancy and some nightlife. They didn't want doctors' and lawyers' offices that close at 5 p.m., but a place where people could go to dinner, walk around to shop and grab a cup of coffee.

The community is walker-friendly with paths throughout. Roads are wide to accommodate bikers and walkers. "We've taken a lot of traffic off Route One," Lynn says. "People who live here can walk everywhere. It improves the qual-



The new Bad Hair Day? Salon in Five Points.

ity of life for people and removes traffic from Route One."

Residents also have easy access to the beaches. "It helps that you can head to Lewes or Cape Henlopen State Park in five minutes without hitting the congestion on Route One," Hudson says.

For people outside the community who want to come in and shop or eat at a restaurant, there's plenty of free parking. And, Lynn says, Five Points is the first community to incorporate mass transit with a public bus service that runs through the development.

Haley of Fish On says he had noticed how busy Striper Bites in Lewes was and saw a need for more quality restaurants north of Rehoboth. Although there are plenty of chains along Route One, their main draw is accessibility and parking, not a reputation for upscale cuisine. Fish On offers mostly seafood. (Rockfish and pan-roasted scallops are two of the most popular dishes. Only one steak is on the menu.) Executive Chef Nino Mancari, formerly of Sedona in Bethany, is well-respected in the area. The setting is industrial chic with a modern, hip décor, worn concrete floors and high ceilings that expose ductwork.

"It took about a month before people from Salisbury and Bethany came," Haley says. "People continued on page B50

WANT TO BUY IN FIVE POINTS?

Condos low- to high-\$200,000s, two to three bedrooms.

1,200 to 1,300 square feet.

Brand new loft units above the downtown area are 1,300 to 1,400 square feet, priced in the mid-\$200,000s.

Townhouses mid- to high-\$300,000s, located around downtown district, brick and stone facades, built by Gemcraft.

Single-Family Homes \$400,000s, cottage-style and craftsman-style homes with front porches, also built by Gemcraft on about 80-by-100-foot lots.

Custom Single-Family Homes

Lots sell for \$250,000 and up. No builder tie-in so buyers bring in their own architect and builder. Plans are reviewed by town architect.

Houses are 2,500- to 3,000-square feet on 90-by-100-foot lots and range from \$450,000 to \$600,000. 140 total. 60 sold at press time.

IT TAKES A VILLAGE

continued from page B35

drive down from Dover. This has become a destination restaurant."

The greater Lewes area also has more year-round residents than Rehoboth. Those people were looking for quality services without having to fight the beach traffic to get downtown.

Drexel Davison, owner of the popular Bad Hair Day? Salon on Lake Avenue in Rehoboth had been thinking about expanding to Lewes for some time, a natural next step as the beach area continues to grow, he says. "At first I thought I should utilize the second location to support the downtown Lewes area," Davison says. "But clients want parking and easy access. That's what's been our problem in Rehoboth." He says Five Points made a better fit because it's accessible to more people than just those living downtown. "So many of us locals live outside Rehoboth. I live in Lewes," he says. "You have to go further out to get affordable housing. Rehoboth just can't grow and develop anymore, but thousands of homes are being built here." In addition to the Villages of Five Points, a 900-home community called the Vineyards is in the works just across Route One.

Davison also likes the aesthetics of his new digs. "Five Points is good-looking," he says. Though it's modeled after turn-of-the-century towns, the Town Center has a hip, city-like vibe with lamp-lit sidewalks and rowhomes. The salon and spa has a very urban feel, like a converted warehouse, even though everything is brand new. High ceilings reveal exposed ductwork and the concrete floors look worn, but the salon, which Davison decorates with seasonal adjustments, is sophisticated and whimsical. Stylist stations are oversized antique dressers. Large crystal chandeliers have multi-colored light bulbs. The waiting area has window seats with plush cushions. One visitor raved about the cucumbers the shampoo person put on her eyes while her hair was washed.

The Lewes location also has a full-service medi-spa with Botox, laser hair removal, permanent makeup and Dermalogica and Obagi skin treatments. This month, Davison plans to expand into a third bay to open a boutique, which he describes as an eclectic mix of clothing and accessories, house-

wares and furnishings.

The Five Points location has attracted clients from Milford, Seaford, Dover, Salisbury and Georgetown. "So many people walk in the door now and say, 'I told you I'd be back when you moved to Lewes,'" Davison says. Business, he says, is great. And the Rehoboth location isn't suffering from the growth. It had its best winter ever since it opened 13 years ago.

Most businesses in Five Points seem to have had similar success. Food Lion met its three-year projection in its first year, Davison says. Fish On, which often had long waits on weekends throughout the winter, recently expanded into space Haley thought they wouldn't need for two more years. The 1,600-square-foot expansion has a 14-seat chefs' table for private groups with a special tasting menu and a private dining area for weekend overflow. The expansion also doubled the size of the kitchen. "We weren't going to build that for two years but we got slammed in a good way," Haley says.

Haley and Davison welcome the new businesses that opened recently, including Java Beach, Seaside Interiors and Quiet Storm, which they hope will attract a young, hip crowd. And they look forward to more businesses in coming months. Hudson wants to bring in a sports bar, upscale steakhouse, ice cream shop and retail shops.

Though 90 percent of the business to Five Points comes from outside the development, inside, the developers tried to create a sense of community. A two-mile bike path lines the perimeter of the property. There are two pools, tennis courts and a community building with kitchen facilities for dinners and social gatherings. A soccer field with a pavilion will soon open to the public as well.

The project has been well-received not just by the community, but by state officials, who see the project as a model for their livable Delaware initiative. State Planner Connie Holland says the Office of State Planning "gives kudos to the Villages of Five Points.

"What we like about it so much is it's walkability, mobility and friendly design, which means you can walk or ride your bike and you don't have to get in your car to go to the drug store or to a restaurant or to see your neighbor," she says. "It's a wonderful design." DT