

# DeSoto luring five hotels, Hunt retail Project

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**HOSPITABLE CITY:** Scott Livingston, executive director of the DeSoto Economic Development Corp., says new hotels will give the city nearly \$600,000 in new tax revenue annually.

Five new hotels and a 600,000-square-foot retail power center are in the pipeline for fast-growing DeSoto. The hospitality projects are poised to more than double the city's number of hotel rooms and bring in nearly \$600,000 in new annual tax revenue.

Four of the five hotels will line DeSoto's Interstate 35 corridor, said Scott Livingston, executive director of the **DeSoto Economic Development Corp.** The shopping center will be a stone's throw away, at the southwest corner of I-35 and Belt Line Road.

"There haven't been any new hotels along I-35 in DeSoto since the mid-'90s," Livingston said. "It's an interstate corridor with 140,000 vehicles a day."

A Holiday Inn Express and Suites began welcoming guests on July 31, and a Hampton Inn and Suites and La Quinta Inn will open in about nine months.

MCM Grande -- whose owners are spending \$2 million to renovate an old Holiday Inn -- will be ready shortly before 2008. And a Marriott Town Suites will open in one year at U.S. 67 and Wheatland, Livingston said.

Collectively they'll cost \$20 million and mean about 325 new hotels rooms for DeSoto, Livingston said. The city, which is about 12 miles south of Dallas and east of Cedar Hill, currently has 310 rooms spread among three hotels.

Sudarshan Majmudar, president of **Mukti Properties**, will be co-owner of DeSoto's new Hampton Inn. He decided to plant his hotel in DeSoto because of its visibility from I-35 and easy access from the north and south.

"Activity is really going great over there," Majmudar said. "The future prospects of this particular location are very exciting."

Owners of a potential sixth hotel, which would be built just north of the Hampton Inn on I-35, have the land under contract, Livingston said. They haven't followed through on the political end yet with the DeSoto City Council, he said.

Meanwhile, Jim Shindler, senior vice president with **Hunt Properties**, said the approximately 600,000 square feet of shopping space at I-35 and Belt Line is waiting for key anchor tenants to sign on the dotted line. He said that process could take another month, but declined further comment.

The shopping and hotels are "just really going to bring a lot of activity," Livingston said.

Even more retail growth in DeSoto is planned or under way. A \$25 million, 315,000-square-foot mixed-use development will break ground on the northeast corner of Pleasant Run Road and Hampton Road in December, Livingston said. And another, 200,000-square-foot mixed-use project has been proposed for the city's west side, at Cockrell Hill and Wintergreen roads.

DeSoto's population in 2002 was 39,550, while this year's figure jumped to 47,600, Livingston said. The figure is projected to increase to about 53,000 by 2010.

Fueling the growth is the fact that DeSoto has been an underserved market for the last seven years, plus burgeoning population in nearby places like Red Oak and Lancaster has had a spillover effect, he said.

Interstate 35 also was under reconstruction from 2000 to 2004, he said, which "basically killed our growth." But now that construction has moved south, people have easier, quicker access to the city.

Livingston arrived at an estimate of \$587,000 in annual taxes from the new hotels by assigning each a 65% occupancy rate and a nightly room charge of \$100; then he multiplied the total by 365 days in a year.

Bob Young, managing director of The **Weitzman Group**, a real estate consulting firm, said five new hotels are not overly aggressive for a city with DeSoto's rooftop growth. "If they were building product that really didn't fit the area based on a regional location or based on the local immediate market, then you get into trouble," Young said. "This is not the home of a boutique or a W hotel, but certainly, I think there's demand. And I think part of the area has been somewhat underserved, so it fills a certain need."

The new Hunt Properties retail project will be near a Wal-Mart Supercenter -- Wal-Mart's DeSoto "ground zero," Young said. But the juxtaposition will work to the new development's advantage, he added. The retail center and the Wal-Mart should co-exist well, Young said -- just as they do in other areas.

The new shopping development may well bring large retailers that drive local shopping habits, Young said. As long as the roads get people there and there is growth, Young said, the Hunt project should succeed.

"There's an element of risk, but I would be very surprised if there weren't commitments lining up to make it happen," Young said. "You want to build to the capacity, but you certainly don't want to overbuild."