



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: May 13, 2025

Reference: Consider approval of two Amended and Restated Civic Center Development Agreements by and between the City of Coppell and Dividend Hospitality, Ltd., and authorizing the Mayor to sign.

2040: Create Business and Innovation Nodes

Introduction:

On May 24, 2022, City Council approved two Civic Center Agreements for Dividend Hospitality, Ltd. for the construction of two hotels in Coppell, Homewood Suites and Hilton Garden Inn. Dividend Hospitality has requested an extension of time to complete the construction for both hotels, and the amended agreements will provide new dates for both hotels.

Background:

Dividend Hospitality, Ltd. is constructing a two-phase development of hotels on one lot of land. The development will consist of a Homewood Suites and a Hilton Garden Inn. Homewood Suites is a select-service hotel containing approximately 95,000 gross square feet of space and containing a minimum of 135 guest rooms and not less than 1,300 square feet of meeting space. Hilton Garden Inn is a full-service hotel containing approximately 75,000 gross square feet of space and containing a minimum of 125 guest rooms and not less than 1,200 square feet of meeting space.

City Council granted a Civic Center Agreement for each hotel that would allow the expenditure of a portion of the Hotel/Motel Occupancy Tax for a period of 10 years as payment to Dividend Hospitality, Ltd. for the use of the meeting space. This meeting space will operate as a civic center and is an authorized expenditure of funds by Chapter 351 of the Tax Code.

Due to economic conditions and construction times, the owner has requested an extension on the completion of construction for the Homewood Sites and an extension of the commencement and completion of construction dates for the Hilton Garden Inn. The Completion of Construction date for Homewood Suites, which is currently under construction, will now be May 26, 2026. The Commencement of Construction and Completion of Construction for the Hilton Garden Inn will now be May 26, 2029, and May 26, 2031, respectively.

Benefit to the Community:

These hotels will provide additional lodging options for the community.

Legal Review:

The documents were created by Pete Smith.

Fiscal Impact:

N/A

Recommendation:

Staff recommends approval.