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Subject: Developer has \$200M deal to buy, renovate downtown Dallas landmark. Here are the plans
Date: Thursday, August 21, 2025 5:15:15 AM

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Developer has \$200M deal to buy, renovate downtown Dallas landmark. Here are the plans

The Magnolia Building, built in the 1920s, was once the tallest skyscraper west of the Mississippi.

The Dallas Morning News

By [Nick Wooten](#)

Aug. 19, 2025 | Updated 12:43 p.m. CDT

A Red Pegasus is perched atop of the Magnolia Hotel at 1401 Commerce St. in downtown Dallas on Tuesday, Aug. 19, 2025. JUAN FIGUEROA / STAFF PHOTOGRAPHER

A [Dallas](#) firm plans to give a historic downtown [hotel](#) new life in a first-of-its-kind project.

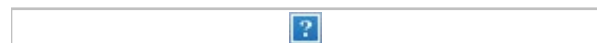
Sycamore Development plans to renovate the 29-story Magnolia Building (1401 Commerce St.), placing hotel rooms and for-rent, [mixed-income apartments](#) within the Dallas landmark. The firm plans to spend an estimated \$200 million on the project, which includes the cost of acquiring the property.

New details about the project were revealed in a filing with the Texas Department of Licensing and Regulation late last week. The firm offered additional information to *The Dallas Morning News* regarding the timeline and project scope.

“We are thrilled to breathe new life into the iconic Magnolia Hotel, a landmark that has long defined the Dallas skyline,” said Jess Krochtengel, managing member of Sycamore Strategies.

Sycamore Development plans to cut the room count of Magnolia’s hotel operations from more than 320 to 160. The Dallas developer will also add 130 mixed-income apartments to the property.

The apartments will include 39 studio, 52 one-bedroom and 39 two-bedroom units. Only 59 of the 130 apartments will not be income restricted, according to a city resolution.



A rendering of new plans for the Magnolia COURTESY OF SYCAMORE DEVELOPMENT

The hotel lobby and amenities will be located on the first and second floors. The apartment amenities and lobby will occupy the third floor. Floors four through 16 will be apartments. Floors 17 and above will be the hotel rooms. The elevator banks for the hotel and apartments will be separate, the firm said.

Other work planned at the property includes a new main lobby and guestroom tower. The firm estimates construction work will cost around \$90 million. Work is expected to begin in February 2026 and be completed by February 2028.

Sycamore Development will receive \$20 million in Texas Department of Housing and Community Affairs housing tax credits over the next 10 years for the project. The firm also has state and federal historic tax credits. Sycamore also plans to seek city incentives and funding from the tax increment financing district, the firm said.

The Dallas developer is currently under contract to purchase the historic property from its owner, Grapevine-based investment firm NewcrestImage.

Jake Milner and Scott Lake at Davidson Bogel Real Estate are representing Sycamore Development in the transaction. Philip Kingston at Sheils Winnubst, P.C. served as Sycamore's consultant.

NewcrestImage purchased the Magnolia Building in 2021. They announced plans for a more than [\\$200 million makeover](#) that would have included a three-story addition and a possible Waldorf Astoria rebranding. Plans were presented to the Dallas Landmark Commission, but the deal never came to fruition.

The Magnolia Building was the tallest skyscraper west of the Mississippi when it opened in 1922. The high-rise was designed by British architect Sir Alfred Bossom, who also did Uptown's [landmark Maple Terrace](#) apartments.



*The exterior of the Magnolia Hotel at 1401 Commerce St. in downtown Dallas on Tuesday, Aug. 19, 2025.
JUAN FIGUEROA / STAFF PHOTOGRAPHER*

The British lord designed the property as a headquarters for Magnolia Petroleum Company, and it became a symbol of Dallas' booming economy in the early 20th century.

The 11-foot-tall, red-neon-outlined Pegasus sign was added in 1934 — cementing its position in the city's skyline.

“This redevelopment gives us the unique opportunity to honor the building's rich history while reimagining it as a place that welcomes a broader community with mixed-income housing and hospitality,” Krochtengel said. “We're excited to create a vibrant hub that reflects the energy of downtown Dallas and strengthens its future.”

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