

MEMORANDUM

TO: Planning & Zoning Commission

FROM: Lauren Cook, Planner I

DATE: July 7, 2026

SUBJECT: **PUBLIC HEARING: Consideration of an Ordinance Granting a Special Use Permit for a Smoking Establishment; on a Portion of Approximately 1.828-Acre Tract, Legally Described as Lot 3R1, Block C, Highpoint Oaks; Located at 2680 Denton Tap Road, Zoned Light Industrial District (LI); as Requested by Naheed Vellani, the Applicant, on Behalf of Hilltop Corner LLC, the Property Owner. (Case No. 26-05-8-SUP)**

BACKGROUND:

Marhaba Lounge is a proposed hookah lounge in Lewisville. The business will operate from 11:00 AM to midnight Sunday through Thursday, and 11:00 AM through 2:00 AM Friday and Saturday. In addition to offering hookah, they will also offer some light food options and non-alcoholic beverages. They anticipate 70-75% of business will be from hookah sales and 30% from food sales. After posting this item for P&Z, staff determined there will need to be additional scrutiny of this item to assess public safety risks.

ANALYSIS:

Article III, Chapter 9, Section 2 of the UDC lists the criteria for approval for Special Use Permits. Staff's analysis for each criterion is outlined below:

A. Compatibility with surrounding uses and community facilities.

Marhaba Lounge will be located in a multi-tenant retail building that has several uses, including an event center, donut shop, liquor store, and flooring showroom. Directly adjacent to the property is a self-storage facility. The nearest residential use is over 500 feet away. The use is therefore compatible with its surroundings.

B. Compatibility with the comprehensive plan and any adopted long-range plans addressing the area.

This proposed location for this building is located in one of the Economic Vitality areas identified by the Lewisville 2025 vision plan. Marhaba Lounge is a small business, and the managing partners predict that their business will add 6 full-time and 4 part-time employees, adding some additional employment opportunities into Lewisville.

C. Enhancement or promotion of the welfare of the area.

The proposed SUP will continue to promote the economic welfare of the area.

D. Whether the use will be detrimental to the public health, safety, or general welfare; and

The applicant intends to mitigate any potential detrimental effects by enforcing a strict age verification policy to only sell hookah to patrons who are 21+ in age. Additionally, a new commercial-grade ventilation and air filtration system will be added that will meet local health and building code requirements. All

required business permits will be acquired and maintained in good standing. There maintains some concern regarding the operating hours and its impact on safety.

E. Conformity with all zoning regulations and standards.

The physical site will remain largely unchanged.

CITY STAFF'S RECOMMENDATION:

That the Planning & Zoning Commission continue this item to the July 21st, 2026 Planning & Zoning Commission meeting as staff continues their research into the impacts on public health and safety.