28 S SPOKANE STREET, WALLA WALLA, WA
YMCA Building

Joint Venture Opportunity

Executive Summary



28 S. Spokane Street presents a rare adaptive reuse opportunity in downtown Walla Walla, envisioning the historic 1907 YMCA Building as an 106-key hotel development or similar hospitality-led use. The project combines landmark preservation with potential new construction, creating space for guest rooms, restaurant and rooftop amenities, meeting/event space, wellness uses, and retail, supported by strong downtown walkability, regional demand drivers, and potential incentive programs. Walla Walla's nationally recognized wine industry further strengthens the hospitality case, drawing hundreds of thousands of visitors to its wineries, tasting rooms, and culinary experiences. This established tourism base supports demand for boutique lodging, events, and destination-oriented amenities.

Property & Location Highlights



- Located in the heart of downtown Walla Walla, one block from Main Street's retail and entertainment district.
- Situated within a highly walkable and growing regional center
- Downtown amenities include restaurants, boutique retail, performing arts venues, and year-round community events.

Market Fundamentals

- Walla Walla serves as a regional employment, healthcare, education, and government hub.
- Diverse local economy supported by institutional employers, healthcare systems, and small-to-mid-sized businesses.
- Strong quality-of-life attributes continue to attract residents, entrepreneurs, and remote workers.

Higher Education Presence

- Home to Whitman College, Walla Walla University, and Walla Walla Community College.
- More than 6,000 students enrolled across local institutions.



28 S SPOKANE STREET, WALLA WALLA, WA
YMCA Building

Joint Venture Opportunity

GBX Group – At a Glance

GBX Group revitalizes historic buildings in urban communities to evolve and thrive in the 21st century. Our efforts help preserve history while modernizing structures to meet the needs of future generations. GBX takes an active role in trying to find a balance between preserving historically significant properties and the economic realities that come with the cost of rehabilitation and preservation through the use of a variety of federal, state and local economic and tax incentive programs. Our work speaks for itself. Areas where we are active have seen an increase in jobs, property values, occupancy rates, and tax revenues, all while maintaining the cultural vibrancy of communities. More information including economic impact studies for various GBX projects completed by Rutgers University as well as multi-project studies completed by PlaceEconomics can be found at our website.



Historic Building Rehabilitation

PROPERTY SUMMARY (YMCA BUILDING)	
Location	28 S. Spokane Street | Walla Walla, WA 99362
Parcel Included	360720420031
Total Parcel Area	21,580 sqaure feet
Building Height	58 feet (Proposed addition, 69 feet)
Current Gross Building Area	32,198 square feet
Proposed Gross Building Area	67,000 square feet
Proposed Units	86
Parking	23 surface lot spaces on adjacent leased parcel



Hotel with the addition

DEVELOPMENT SCENARIO	PROGRAM SUMMARY
Standalone Historic Building	Rehabilitation of the original 1907 YMCA Building as a preservation-led adaptive reuse project. The existing/current building area is listed at **32,198 SF** and and could be redeveloped into a smaller boutique hotel without requiring an addition, while preserving the potential for future expansion.
Historic Building + New Addition	Expanded hospitality product or similar redevelopment that removes non-historic additions and adds a new connected building addition. This addition features 67,000 SF +/- proposed gross building area, while previous schematic designs envisioned **80+ key** Hotel with restaurant, rooftop bar, meeting/event space, spa, fitness, and retail.

28 S SPOKANE STREET, WALLA WALLA, WA
YMCA Building

Joint Venture Opportunity

Incentives Overview

The redevelopment of the historic YMCA Building presents a compelling opportunity to capitalize on incentive programs that can significantly impact the project. Silverlode Consulting, a wholly owned subsidiary of GBX Group, serves as the project's incentives and public finance advisor, leveraging its specialized expertise to identify, structure, secure, and monetize historic tax credits, Opportunity Zone equity, Main Street incentives, grants, and other public funding sources to maximize available project incentives and enhance redevelopment feasibility.

Federal Historic Tax Credit (FHTC)

The YMCA Building is listed on the National Register of Historic Places and is eligible for the Federal Historic Tax Credit program, which provides **a 20% tax credit on qualified rehabilitation expenditures (QREs)** associated with the rehabilitation of the historic structure. The federal credit can be syndicated to equity investors and is expected to provide a substantial source of project capital. The proposed new construction addition is not eligible for historic tax credits.

The project has already undergone review by the Washington Trust for Historic Preservation, Washington Department of Archaeology & Historic Preservation (DAHP), and the National Park Service as part of the historic preservation process. The building's historic status and location within downtown Walla Walla position it favorably for preservation-oriented funding and community development initiatives.

Washington Main Street Tax Credit Incentive Program

The project may be eligible for participation in Washington's Main Street Tax Credit Incentive Program through the Downtown Walla Walla Foundation. The program allows businesses to receive a 75% tax credit on approved contributions made to designated local Main Street programs, creating an additional source of gap funding for revitalization projects within historic downtown districts. This program has been widely utilized to support preservation and economic development initiatives throughout Washington State.

Washington Special Tax Valuation Program for Historic Properties

If a property owner incurs qualified rehabilitation costs that equal at least 25% of the building's assessed value withing a 24-month period prior to the application, those qualified costs can be subtracted from the newly assessed value of the property for 10 years. This is a state program administered by local communities. Applications must be filed with the Walla Walla Historic Preservation Commission to be approved for the special valuation.

Opportunity Zone Benefits

Located within a federally designated Opportunity Zone, the project may be eligible to attract Opportunity Zone equity seeking tax-advantaged, long-term investments in transformative real estate developments. Combined with Federal Historic Tax Credits, the Opportunity Zone designation provides an additional source of potential capital and enhances the project's appeal to investors focused on tax-efficient redevelopment opportunities.

Summary

By leveraging the Federal Historic Tax Credit, Washington Main Street Tax Credit Incentive Program, Opportunity Zone investment, etc., the redevelopment of 28 S. Spokane Street offers a unique opportunity to reduce capital costs while transforming one of downtown Walla Walla's most iconic historic buildings into a catalyst for continued economic growth and revitalization.

GBX Group LLC
2101 Superior Avenue
Cleveland, OH 44114
gbxgroup.com

Contact:
Zach Guren | Director of Development
zguren@gbxgroup.com
440.567.4605

Joe Aveni | Development Associate
javeni@gbxgroup.com
440.527.4386