



Offering Memorandum

The Hoke Building | Historic Redevelopment Opportunity

25 E 1st Avenue, Hutchinson, KS 67501



Executive Summary

The Hoke Building presents a rare opportunity to acquire a historic asset in the heart of Downtown Hutchinson. Originally built in 1910, the building has undergone partial redevelopment into a 23-suite boutique hotel, with 2 retail/restaurant spaces, with construction ~30% completed. Buyers can capitalize on over \$2 million in qualified rehabilitation expenses and leverage up to **45% in transferable federal and state historic tax credits**.

Key differentiators include its location across from the Historic Fox Theatre, city-approved stamped architectural plans, a dedicated parking lot, and flexible zoning (C5 – Downtown Commercial), allowing for a variety of commercial and mixed-use development scenarios.

Property Overview

Property Details

| | |
|-------------------|---|
| Address | 25 E 1st Ave, Hutchinson, KS 67501 |
| Building Size | 16,500 SF |
| Lot Size | 0.35 acres (includes adjacent lot) |
| Current Build-out | ~30% Complete (23-suite hotel layout) |
| Zoning | C5 - Downtown Commercial |
| Year Built | 1910 |
| Stories | 4 Stories |
| Parking | Adjacent off-street lot (E Sherman St.) |
| Tax Credits | ~45% on \$2M QREs (Federal + State) |

Property Photos

The Hoke Building features early 20th-century architecture with historical character. Built in 1910, it once housed insurance and trade companies, contributing to Hutchinson's commodity boom. Its brick façade, limestone accents and tall windows echo the nearby Art-Deco Fox Theatre. Reviving the Hoke positions a new owner as champion of Hutchinson's architectural heritage while unlocking tax incentives.



Images represent the Hoke Building's historic character and redevelopment opportunity in Downtown Hutchinson.

Market Overview – Hutchinson, KS

Economic & Tourism Drivers

-  **Strong Population Base:** ~39,431 residents (2025 projection) with median household income of \$58,801; anchors micropolitan area of ~61,000
-  **Tourism Magnet:** Kansas State Fair draws >328,000 visitors annually; Cosmosphere Space Museum (150-200K tickets yearly) showcases world's largest combined US/Russian space artifact collection
-  **Downtown Renaissance:** Historic Fox Theatre, Salt City Brewery, and 20+ eateries within 3-block radius creating vibrant entertainment district

Employment Sectors

- Healthcare (Hutchinson Regional Medical Center)
- Advanced Manufacturing (Siemens Gamesa nacelle plant)
- Energy (Koch subsidiary – Hutchinson Salt)
- Aerospace (ThyssenKrupp Aerospace)
- Transportation (Collins Bus Corporation)
- Education & Workforce Development (Hutch CC)

Tourism Events & Economic Impact – Hutchinson, Kansas



Kansas State Fair

- \$74.6 million annual economic impact to the Kansas economy, with over \$40 million impact within the fair's 60-mile radius[1][2]
- Attracts 325,000+ visitors annually to the main event plus 200,000 to non-fair event

NJCAA Division I Men's Basketball Tournament

- \$1.3 million estimated annual economic impact to the Hutchinson community
- Generated 1,262 total room nights in 2024, with 787 nights in Hutchinson hotels

Fox Theatre

- Historic entertainment venue that hosts nationally touring shows, as well as regional performances, and serves as a business event venue
- Recently awarded \$50,000 T-Mobile grant for structural improvements to maintain its role as a cultural anchor

Hutchinson Community College NJCAA Programs

- Hosts multiple athletic tournaments including volleyball championships and basketball events[17]
- \$29 million renovated Sports Arena serves as venue for state and national competitions which generates hotel stays and visitor

Development Highlights

- **Partial Construction Completed:** Structural work and utilities installed; City inspections approved.
- **Stamped Architectural Prints:** Approved hotel layout—option to reconfigure as apartments or commercial.
- **Historic Tax Credit Opportunity:** Eligible for ~\$900K Federal + ~\$1.1M State credits (Transferable).
- **City-Backed Redevelopment:** Active support for downtown revitalization efforts.



Approved Architectural Plans

City-approved stamped architectural prints for the 23-suite hotel layout, and 2 retail/restaurant spaces, with flexibility for reconfiguration.

Construction Progress

Approximately 30% of construction completed with structural work and utilities already installed.

Location Overview

Downtown Hutchinson is undergoing a multi-million dollar public investment in streetscape improvements, a new amphitheater, and mixed-use community development. Anchored by the Fox Theatre, local galleries, shops, and the Hutchinson Farmers Market, the area supports both residential and visitor traffic, making The Hoke Building well-positioned for hospitality, residential, or creative office redevelopment.



The Historic Fox Theatre serves as a key anchor for downtown Hutchinson, directly across from The Hoke Building.



The Hutchinson Farmers Market and local businesses create steady foot traffic in the downtown area.

Location & Accessibility

Strategic Downtown Position

The Hoke Building sits at the heart of Hutchinson's revitalized downtown district at **25 E 1st Avenue**, offering exceptional visibility and accessibility.

- Direct access to E 1st Avenue and Main Street
- Walking distance to Fox Theatre and downtown amenities
- Adjacent dedicated parking lot on E Sherman Street



Fox Theatre

Directly across from property



Farmers Market

Walking distance



New Amphitheater

Part of downtown investment



Landmark Hotel Redevelopment

\$15 million conversion to apartments and retail

Highest & Best Use Scenarios



Boutique Hotel

23 keys + 2 retail/restaurant spaces to capture unmet upscale lodging demand from 330K+ annual Kansas State Fair visitors and 300K Cosmosphere venue tickets



Mixed-Use Loft Conversion

3 floors of 1- and 2-bedroom lofts (≈14 units) over ground-floor restaurant/bar; renovated downtown lofts average \$1.45/SF monthly



Short-Term Rentals + Coworking

Capitalize on 'work-from-anywhere' trend, leveraging Hutchinson's downtown fiber broadband district

Each scenario leverages The Hoke Building's strategic downtown location and historic character while capitalizing on Hutchinson's growing tourism and changing work patterns.

Multifamily Development Potential

The historic Hoke Building offers a compelling opportunity for multifamily conversion within its 16,500 SF footprint across four floors. With ~80% efficiency, the building could yield:

22–26

Potential Units

Mix of studios (~450 SF) and one-bedroom units (~600-650 SF)

13,200

Net Rentable SF

After accounting for corridors, stairs, and utility spaces

45%

Tax Credits

Potential historic tax credit offset on qualified rehabilitation expenses



Growing Downtown Demand

Increasing interest in walkable, affordable rental housing in Hutchinson's revitalized downtown core

RHID Advantage

Rural Housing Incentive District could offer 15-20 years of property tax reimbursement

First-Mover Opportunity

No comparable new supply in the immediate area creates a unique market position

Investment Considerations

Multiple Exit Strategies

Continue as boutique hotel, reposition as multifamily or mixed-use.

QOF & Syndicated Credit Compatible

Buyers can acquire the LLC to preserve QOZ and HTC benefits.

Immediate Value Capture

Step into a project with approvals, infrastructure, and branding already underway.

National Register Status

Protects the building and enhances long-term investment value.



Tax & Ownership Structure Strategy



LLC Purchase Strongly Recommended

Preserves QOF tax benefits and avoids HTC recapture.



Asset Sale Complications

Triggers tax credit clawback and jeopardizes QOZ timelines.



Syndicated Tax Credit Rules

Require continuity of entity and use; detailed in due diligence packet.

Qualified Opportunity Zone Advantages



Tax-Deferred Capital Gains

Investors can defer capital gains taxes until 2026 by reinvesting gains into the Hoke Building QOF within 180 days

10-Year Hold Benefit

Eliminate capital gains tax on QOF investment appreciation when held for 10+ years

Hutchinson QOZ Location

Downtown Hutchinson's designation creates a powerful "triple stack" when combined with historic tax credits and RHID incentives

Neighborhood Revitalization Program (NRP)

Approved for Kansas 10-year deferred tax rebate

Note: QOF benefits are preserved only through LLC acquisition, not asset purchase

Next Steps

1

Request Due Diligence Packet

Includes plans, tax documents, and contractor info.

2

Schedule Property Tour

Walkthrough of all four floors and adjacent parking lot.

3

Consult with HTC & OZ Professionals

We can make introductions as needed.

4

Submit LOI

Offers reviewed on a rolling basis; preference for LLC acquisition.

Contact



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