The Hamlet Hotel is recognized for the Mayor's City Center Awards for its adaptive reuse of a historic building, and creating second-story short-term rental units.

With a shortage of visitor lodging in Bellingham’s downtown core, the Hamlet Hotel provides a dynamic accommodation experience while simultaneously contributing to the revitalization of the downtown neighborhood.

Constructed in 1907, the building originally housed the Cottage Bar saloon on the ground floor and the 12-room Cottage Hotel on the second floor. In 1936, the E.W. Ebeling Sign Co. operated out of the building until Gorne Neon Sign Co. took over in 1945. Gorne’s success brought extensive changes to the building, which included obscuring the upper story rooms and converting the space to storage.

Fred and Colleen Schacht bought the building when it came up for sale in 2005, and thus their passion project began. to house their Xerox sales dealership, Benchmark Document Solutions, in 2001. Hamlet Hotel's four one-bedroom apartments are offered on Airbnb exclusively since January 2018.

The Schachts spent many hours discussing, debating and planning the details to determine how to reactivate the second floor of this historic building. Working with the City of Bellingham and Zervis architects to determine the potential uses and associated costs, they set out to create four short-term rental units in an upper story formerly used as storage space. The project included seismic and fire safety improvements as well as a complete re-do of everything on the second floor. Renovating upper story units is costly and often is no easy feat, and on top of that, their intention was to retain the character of the 110+ year old building while adding all the necessary comforts of today. They overcame many obstacles along the way in order to make their dream a reality over the course of nine months.

Not only did the Schacts’ renovation of the interior create much needed rental units in a central downtown location, it also significantly improved the building’s exterior by removing a 1950s “modernizing” façade, which obscured architectural features and windows. Restoring the windows puts more “eyes on the street” and improves safety, and creates a more interesting and attractive streetscape on the prominent corner of Railroad Avenue and Chestnut Street.

The Schacts help promote other downtown business and activities by highlighting them to guests staying at the Hamlet Hotel and sets a great precedent for other lodging options in this commercial area.

"Whatever we do to this building," Schact said. "It’s always been important to Colleen and me to make sure that we make this part of the downtown experience a more positive and interesting experience for people coming to visit here."