CAPT. H. L. TIBBALS BUILDING
Common Name: Palace Hotel
O.T. Block 39, Lot 1
1004-08 Water Street
(Previously 402-404 Water Street)

Constructed: 1889
Architects: Whiteway & Schroeder
Brickwork: Nelson & Davis,
Carpenters: Andrews & Whiteway
Owner: Captain H.L. Tibbals

1889: The building was built at a cost of $28,000. It housed a billiards parlor and three saloons, one known as the Townsend Tavern on the first floor. Furnished rooms for rent were on the upper floors.

1925-1933: The two upper stories were known as The Palace Hotel. Actually operated as a brothel, it was nicknamed “The Palace of Sweets.” During Prohibition some patrons were looking only for liquid refreshment. The “girls” left town in the mid-thirties. Following a raid, Marie—the Madam—was told by the sheriff to close her business and leave town by the following Saturday.

1976: Restoration began on the building’s interior and was completed in 1984. Refurbishing the hotel was completed in 1988. The rooms are once again a part of the Palace Hotel.

Other businesses which have occupied parts of the building include real estate offices, a shoe dealer, law offices, Northern Railway Express, the Port Townsend Call newspaper, Fish and Clark Autos, The Leader newspaper, Townsend Theater, Washington State Liquor Store, a gift and florist shop, Orthopedic Thrift Shop and various restaurants.