Summary

Port Townsend currently has two large stores within city limits, a Safeway and a QFC. Both stores are located outside of downtown. A variety of factors have contributed to the lack of further large-store retail in Port Townsend. The Port Townsend Department of Planning generated plans, codes and design guidelines that shaped town planning and retail development. Active community groups organized to oppose big box retail. Platting layout from the 1850’s ensured that most parcels were too small for large retail development. Lastly, the remaining available area for large retail is unattractive due to the plume from the town’s paper mill. The economic base does not seem strong enough in Port Townsend to make it worthwhile for a developer to negotiate these obstacles.

Port Townsend has a stable economy due to its thriving small business community, successful tourist and marine trades, and the above mentioned paper mill. Smart strategies outlined in the economic development element in the 1996 Comprehensive Plan include strengthening small businesses through technical support and good loan programs. This helped to create the current economic state. Contributing to the success of small retail is a well-planned effort to develop an attractive downtown. With the historical designation of downtown and the main street effort that resulted in the 2000 Main Street award Port Townsend is known to be a desirable place to live and visit.

What might this suggest for Homer? An active community and good holistic planning that includes the whole range from economic to aesthetic issues helped shape and preserve Port Townsend’s small-town atmosphere. Jeff Randall, the director of the Building and Community Development summed it up well. “Find what is unique and successful about Homer and build on it. What features encourage people to gather together and enjoy public spaces. What things get them out of their cars and talking to each other, shopping, going to restaurants, festivals, etc. What architecture typifies what people think of when they think of Homer. What construction materials, what building scale. How about street widths, types of street trees, street lights, what is the character of these things that are unique to Homer or were features of the town when people felt the town felt good. Port Townsend has thought about all these things” (Randall 2003).

Community Background

Location: Olympic Peninsula, WA
Size: 8,400
Economic Base: Tourism, Paper Mill, Art, and Marine Trade
Governing/Planning structure: City Manager/Council
New Town or existing: Existing
Port Townsend is approximately two hours away from Seattle and the city of Tacoma is one and a half hours away.

The closest communities outside of Jefferson County with large retail are:
Sequim       31 miles/50 minutes
Silverdale   41 miles/1 hour.

As described in the *Port Townsend Olympic Peninsula Guide*, Port Townsend is “a rural town with an urban flair, a place with a real downtown and neighborhoods with old homes and friendly people”. Founded in 1851 the town’s prosperous years were in the late 19th century. The then built Victorian structures were never destroyed, making the town one of only three Victorian Seaports on the National Historic Register. Port Townsend is known for its historical and pedestrian friendly center, its thriving artistic community, and its beautiful natural setting.

Port Townsend is a desirable place to live. The town offers local as well as county-wide services; 4 schools (2 elementary, 1 middle, 1 high school), a library, a hospital, a community and a senior center. From 1981 to 1996 the population grew 35%. The current population is estimated to be 8,334. 91% of the population is Caucasian. The median age is 46.6. Jefferson county residents are better educated than the state average. Eight percent of residents above age 25 have less than a high school degree, and a third or more of adults in Port Townsend have 4+ years of college. The mean household income is $34,536. The county poverty level is slightly above state average with 11.3 % of county households below the poverty line; based on 1999 income. 2,554 homes are owner occupied and 1,363 are renter occupied (US Census 2000). According to the Jefferson County Association of Realtors, the average price of a home in 2001 was $175,307.

Port Townsend, being the county seat and the only incorporated community, is the commercial center of Jefferson county. The economy in Jefferson County and in Port Townsend has been stable and robust for the last decade. According to a report by the Economic Development Council, the reason for the stable economy is a strong small business community. The largest employer is the Port Townsend Paper Corporation. Tourism and the marine trades are the other two main industries (Economic Development Council 2003).
The city operates with a 7 members council and a city manager. Among other advisory bodies, the city has an art commission, a planning commission, a historic preservation committee, a park and recreation advisory board, a non-motorized transportation and advisory board, and a transportation advisory board.

Due to its beautiful natural setting, its unique location at the end of a peninsula, its attraction to tourists, artists, and a growing population of retirees Port Townsend is struggling with the same issues as Homer. It aims to retain its unique and small-town atmosphere, while providing a strong economy.

**Position and Actions on Large-store Retail**

Port Townsend has an established planning process that includes plans, codes, and design guidelines that shape town planning and retail development.

The planning structure in Port Townsend consists of a Building and Community Development Department (BCD) whose director has final approval of a building application. The BCD must approve all permit applications and if any infrastructure is involved, such as roads, the Public Works Department must also approve the permit. After approval by the BCD, there is a public review process after which the director gives a final determination on the application. If there is opposition to the development it can then go to the Hearing Examiner and Port Townsend City Council (PTCC) for a vote.

The National Parks Service (NPS) designated uptown and downtown areas in Port Townsend as a Landmark Historic District (LHD) in 1974. A historic building survey was conducted and approximately 300 buildings were found to qualify as historic buildings (including residential). In the 1980’s the city formed the Historic Preservation Committee (HPC) to review development applications according to detailed design guidelines intended to preserve the historic character of Port Townsend. The Historic Preservation Committee (HPC) can reject permit requests in the Historic Landmark District (HLD) while in other districts it has recommendation power only. The LHD designation and HPC guidelines and oversight authority have effectively eliminated big box retail from entering the district.

The City’s Comprehensive Plan was adopted in 1996. It describes zoning districts in terms of required minimum density, maximum density per lot coverage, building height requirements and land uses allowed (see Appendix A). The City Municipal Code describes how the Plan can be implemented as well as the specific types of uses and spatial restrictions in place in each district (see Appendix B). The Gateway Plan articulates traffic circulation at the entrance to town and different circulation routes through town for cars, buses, bicycles and pedestrians.
The Landmark Historic District (LHD) has strong protections in place in terms of design guidelines and use specifications. The design guidelines are intended to preserve the historic nature of the buildings in the area (Port Townsend Municipal Code 17.80.090). Another important factor in the vitality of the downtown retail district is the parking layout. There is plenty of on-street parking downtown and a very high ratio of building square footage to land area, meaning that there are very few off-street parking lots. According to Jeff Randall, this may contribute to a “perceived parking problem, but the reality is there is a lot going on downtown. People come downtown because of this activity. They don’t come downtown to look for empty parking lots. The down towns that I see that are in trouble I think often have too much off-street parking. As you watch people walking in these towns they’ll proceed down a sidewalk until they get to one of these parking lots (which is a gap in the street façade) and often they’ll turn around and walk back the other way. Downtown Port Townsend has very few gaps. People walk and explore the whole downtown (on foot, not in cars). Cars don’t buy anything, people do” (Randall 2003).

The Urban Waterfront Plan also describes the uses allowed and densities permitted along the waterfront downtown. The series of zoning overlays found in the Comprehensive Plan, the Landmark Historic District, the Gateway Plan and the Urban Waterfront Plan all combine to minimize the opportunity for big box to move into the community.

Large-scale retail could enter in the C-2 and C-4 zones. At this time no area is assigned C-4. The C-2 general commercial district currently has a size limit of 75,000 square feet. However, the area is unattractive to developers as it lies within the plume of the town’s paper mill.

The city is now in the process of re-writing the C-2 design standards. According to Jean Walat, a planner with the City of Port Townsend, the draft design standards for the C-2 district include: a new maximum building size of 40,000 square feet and the requirement that all new construction incorporate building articulation every 30 to 40 feet (with a variety of suggested techniques), as well as prohibitions against blank walls. Tilt up concrete, commonly used in big box construction, is not currently allowed. Under consideration is a requirement (similar to Jackson Hole, WY) that developers include second story mixed use on top of first story retail. Second story residential development is strongly recommended. The size limit might be 40,000 square feet (or less) ground floor development with some sort of bonus for second story development (Walat 2003).

Outcomes

Large Retail in Port Townsend

In 1981 Safeway applied to relocate and expand their store to 55,000 square feet. At the time there were few planning requirements in place. A lawsuit was filed against Safeway (HAYDEN v. PORT TOWNSEND 1980 and 1981), which sought review of the rezoning of undeveloped land Safeway was hoping to develop to general commercial use. Also under review were the environmental impacts of the proposed development according to the State Environmental Policy Act (SEPA) guidelines. The court ruled in Safeway’s favor and it was built despite considerable public opposition to such a large-scale development. According to John Watts, the City Attorney, the city investigated regulations to limit franchise-type development but
determined that this was not a reliable regulative approach. Instead the city opted to control growth through various zoning overlays which limit the areas in which large retail can develop.

According to Eric Toews, a former city planner who currently owns a planning consulting business, stringent and expensive parking and traffic mitigation requirements in the downtown managed to deter a developer from developing a retail/condominium project in 1990. Even though there was initially no size cap on development, these requirements provided a back door zoning approach which effectively kept this large-scale development out of the community. Interestingly, he recommends that these same parking requirements be drastically revised, as they require a “sea of parking” which some developer may be willing to comply with in the future.

McDonald’s came to Port Townsend in the early 1990’s and was subject to design restrictions applicable to the C-2 commercial district which included that no “golden arches sign” be included and that the structure use real cedar siding.

In 1997 Rite Aid attempted to come to town and build a drug store. A strong opposition group rose up against the proposed development (“Rite is Wrong”) and in the end Rite Aid chose not to proceed with the property acquisition and building construction. According to Jeff Randall, Rite Aid decided that the potential economic profit in a community of Port Townsend’s limited size was not worth the effort given lack of consumer support. In addition there were some planning guidelines in place such as the Comprehensive Plan (Randall 2003).

Currently in the C-2 Zone, Port Townsend has a 55,000 square feet Safeway and a McDonald’s. Also in the C-2 Zone is a 29,000 square feet QFC which occupies a large retail area with four other buildings. There are two additional buildings in the works at the QFC site for a total of 59,000 square feet. The QFC awning extends over other businesses and across from the store a small mixed use retail development shares the parking lot.

Safeway is the largest retail development in town. According to Barbara Marseille of the HPC, Safeway has come to be a good community member by employing members in the community including the handicapped, donating to a food drive and other local causes, and participating in community activities. QFC, whose prices are higher, is the grocery store that is doing the least business. A food co-op grocery store and Safeway are doing the most business.

The Economy and Small Businesses

The Port of Port Townsend’s economic summary states that one of the main reasons the economy has been stable and robust in Jefferson County is the increasing number of small businesses. The majority of the businesses established over the last five years are in the retail and service sectors. “Retail sales have grown by 20% during the last five years, fueled by new construction activity, a growth in local retail enterprises, population growth and tourism” (Port of Port Townsend 2003).

Despite concerns over sales tax leakage to other counties with large retail stores the small business community seems to be doing well. According to an article in the Leader that discusses a planned discount mall in Sequim “[m]any Jefferson County business leaders believe that Port Townsend’s shopping district is so unique it might not suffer from the appearance of even more discount stores” (Huck 2003). This opinion is shared by the city manager Dave Timmons (Timmons 2003). Another success story is the Main Street Program.
In 1985, Port Townsend began the Main Street Program and underwent a massive investment and rejuvenation of the National Historic Landmark District. In 2000, Port Townsend was awarded a National Main Street Award. Today there is a 100 percent occupancy rate of the street-level retail spaces. More than 90 percent of the properties downtown have undergone rehabilitation. Retail sales tax has increased over 100 percent between 1984 and 1998. The hotel-motel tax revenue has increased significantly from 1997 – 2000 and between 1990 and 1999 there has been a net gain of 237 jobs (see Appendix C).

The Economic development section in the Comprehensive Plan includes a strategy that addresses Land Use, Public facility and infrastructure investments, Marketing cooperation and coordination with other entities, and policies strengthening businesses. The Economic development section also outlines a course of actions focusing on Training/Education, Marine Trades, Diversified Manufacturing and Small Businesses, Tourism, Retail Trades, and Telecommunication Infrastructures (Comprehensive Plan 1996).

The current economic situation seems to indicate that the economic strategy formulated in the Comprehensive Plan was successful. Presently the business community can count on available technical support for businesses, a steady year around flow of visitors coming through town, active local shopping support, and a diverse economy.

The Small Business Development Center in Port Townsend gives technical assistance like help with loan applications and business plans. Loan programs of the Small Business Administration offer affordable loans through local banks. In addition, the Economic Development Council works closely with state and federal agencies on loan programs. Although the Chamber of Commerce concentrates more on visitor related activities it also provides assistance to small businesses.

A constant flow of customers is promoted through year-around activities. The Historic Society and Main Street program helped create an attractive and pedestrian friendly downtown. Many festivals like the Jazz or Wooden Boat festival, and the Kinetic Sculpture Race attract locals as well as tourists. Additional cultural events like the art summer workshops at the Centrum a venue for art and creative education and a range of museums add to the array of attractions available for the young and old.

Active citizens support local shopping. An article in the Leader suggests that the initiative “Shop locally” in last years Home Town Holiday sweepstake resulted in $300,000 spent in local shops and businesses (Watness 2003).

In an article in The Leader Michelle Sandoval, then a council candidate, believed the economy is in good shape: “Sandoval said the economy has diversified with marine trades, the hospitality business and the emerging ‘digital-based cottage industry’ “ (Huck 2000).
Community Voices

City manager Dave Timmons’ opinion is that the community is split 50/50 between wanting big retail or not. He recalls an anecdote from last year’s April fools day where a false sign was put up announcing the arrival of Walmart. He remembers the majority of calls from angered citizens were because Walmart was not coming into town. He feels that prices for groceries in town are compatible with other retail in the state. But what is missing is diversity. The complaint he hears frequently is that “you can’t get underwear” (Timmons 2003). Supporting this opinion is an article in The Leader where a citizen is concerned with the lack of job opportunities, lack of contemporary shopping, sales taxes being exported to other counties, and the budget problems for the county. “Really, one big-box store would go a long way toward balancing the county’s budget; it would create jobs and be handy … they [big-box stores] can be accessible and tucked away in the forest and not be unsightly” (Rein 2003). Another article mentions the sales tax leakage to adjacent counties with large retail stores. “We know that $4 of every $10 spent on retail items is spent outside the county. We know the total retail leakage is well over $100 million per year” (Watness 2003).

But there are also strong community voices that oppose big-box retail coming into town. John Lockwood a member of People for Livable Communities, an active community group concerned about the impact of growth, states in a letter to The Leader “[c]ommercial development at the edge of town will have profound negative effects on our local economy. I believe that it will have profound negative effects on the quality of life in our town and county” (Lockwood 2000). Other letters voice similar concerns “I lived for many years in a town that got “smart” by allowing in the big chain. It wasn’t long before all the Mom-and-Pop groceries were gone” (Bush 2001).

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Appendices

