

MEMORANDUM

To: Jesse Canedo, Chief Economic Development Officer

From: Anthony Gill, Economic Development Specialist

Date: November 18, 2021

Re: Outdoor Dining in Bellevue: Report on 2021 and Recommendations for 2022

Executive Summary

In 2021, the outdoor dining program in Bellevue—particularly on Main Street—was well-received among residents, retailers, and the general public. Based on a broad survey of 250 stakeholders:

- Outdoor and on-street dining areas were quite popular, with **more than 54% of respondents** using the spaces three or more times over the course of the summer.
- A strong majority of users were **satisfied with their experience** of getting to and from Main Street, including among drivers and pedestrians alike. Among those who drove, slightly more people rated their parking experience as positive than as negative.
- **85% of respondents** said that the outdoor and on-street dining areas made them more likely to visit Main Street again in the future, an enthusiasm level indicating that the experience serves as a visitation generator for businesses on the street.

In open-ended responses, people expressed a desire for future iterations of the program to include significantly improved aesthetics, weather protection and heat, and additional events and activations around Main Street. In addition, many respondents expressed a desire to either temporarily or permanently open Main Street to pedestrians only, for an improved experience.

Survey data was supplemented by revenue data and interviews with restaurant operators. One restaurant reported that with the additional dining space, its second-quarter revenue increased in 2021 by 37% compared to 2019. In other words, the outdoor dining spaces are a true economic development engine since they allow restaurants to boost their revenue. That said, restaurants did experience challenges with the permitting process, and in submitting quality site plans for our review teams to approve. These challenges were similarly noted in our staff retrospective.

Program Objectives and Scope

In 2020, to respond to the COVID-19 pandemic, restaurants and cafés across the country partnered with neighborhood associations, businesses, and residents to provide additional outdoor space for socially-distant dining, often in parking lots, on-street parking stalls, on sidewalks, and on streets. In Bellevue, City staff partnered with Old Bellevue merchants and the Bellevue Downtown Association (BDA) to launch an eight-week pilot of on-street dining on Main Street.

In 2021, out of recognition of the success of the program and significant public feedback asking for it to return, the City worked with the BDA and restaurants to expand outdoor dining as a regular program for the entire summer.

The program had three key objectives, both short- and long-term:

1. **Support restaurants and retailers** during a period of reduced indoor capacity due to the COVID-19 pandemic.
2. **Increase the vibrancy of downtown** for residents, employees, and visitors to encourage people to stay longer and come back more often.
3. **Increase sales** at local restaurants, retailers, and hospitality businesses to increase the city's sales and hotel tax revenue.

This year, City staff partnered with the Bellevue Downtown Association to provide additional marketing resources and promotion for restaurants and cafés offering outdoor space across the city. Overall, five restaurants offered on-street dining from mid-May to mid-September, providing restaurants with more than four months of enhanced revenue opportunity. Additionally, more than two dozen restaurants across the city offered sidewalk dining, and several offered dining areas on former parking lots and plaza areas.

User Survey

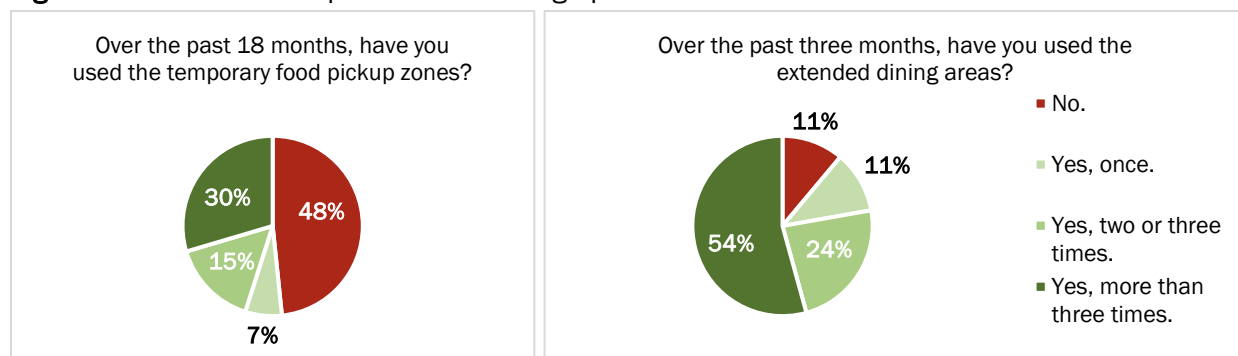
To gauge the public's response to the outdoor dining areas on Main Street, staff conducted a survey from September 1 to September 30 to solicit feedback. The tool was promoted by the BDA, Old Bellevue merchants, and on City channels (including a press release). In total, it garnered more than 250 responses, which upon review appeared to be broadly representative of the community.

Usage Trends

About 52% of respondents reported that they used the temporary food pickup zones which were placed in various curb spaces along Main Street by the city's Right of Way (ROW) team (**Figure 1**, left). The largest share of this group had used the spaces more than three times, indicating that while only a slim majority had used the spaces, a plurality of those who had used them many times.

The on-street dining areas proved somewhat more popular. 89% of survey respondents said they had used the spaces at least once, with more than 54% of respondents saying they used them at least three times (**Figure 1**, right). This indicates that the on-street dining spaces worked as intended: people who used the spaces came back often to visit Main Street restaurants several times over the course of the summer, rather than just once or twice.

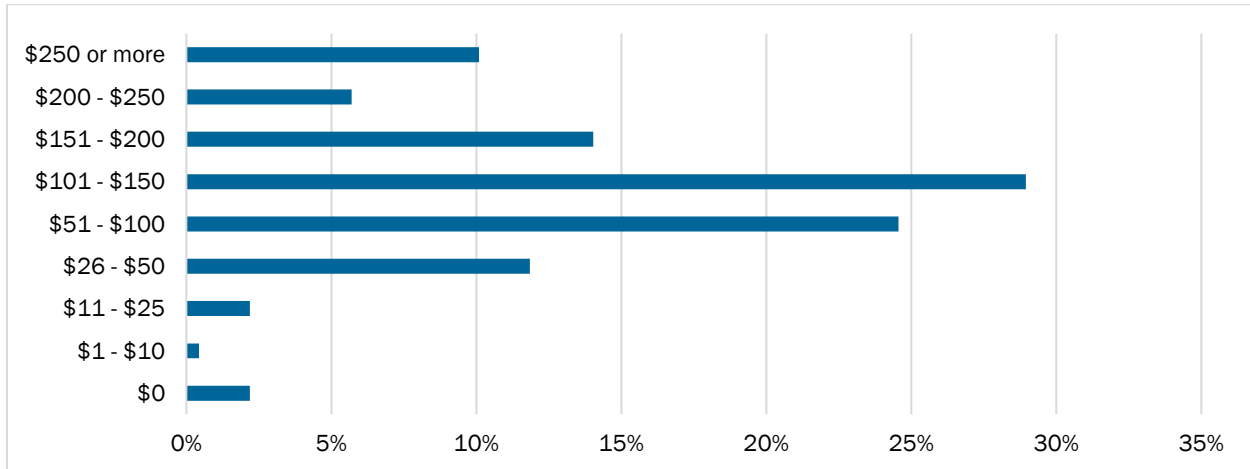
Figure 1. Use of the Pickup Zones and Dining Spaces.



On the left, n = 223. On the right, n = 244.

When survey respondents visited Main Street, they reported spending amounts that can have a substantial impact for local businesses (**Figure 2**). Almost 30% of respondents—the largest share—reported spending between \$101 and \$150 on their last visit to Main Street. The median spend hovered around \$150 per visit—typically at local restaurants, retailers, and service providers. Assuming this spend takes place at taxable locations, each visit to Main Street results in approximately \$1.50 in tax revenue to the city.

Figure 2. When you last visited Main Street, how much would you say you spent in total?



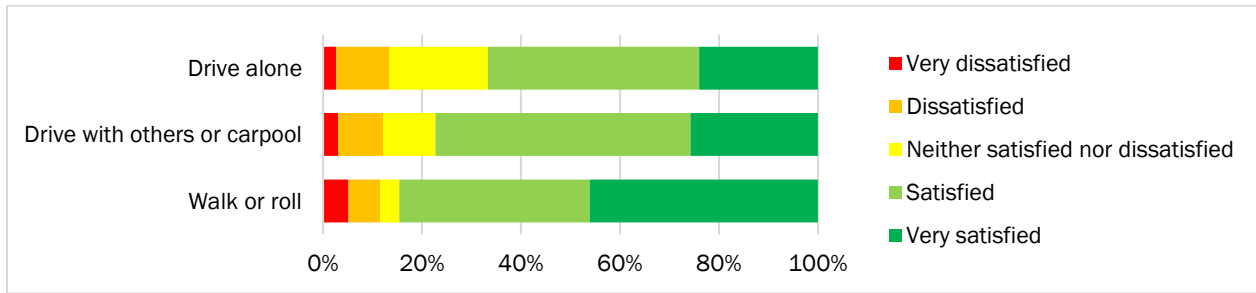
n = 228

Transportation and Parking

When the Main Street on-street dining program was first envisioned, the loss of on-street parking and potential transportation impacts were the first significant concern raised by retailers and nearby residents. As such, our survey carefully considered how visitors traveled to Main Street, what their experience was like when they did, and whether they understood and appreciated the tradeoff associated with the extended dining areas.

First, just one in three survey respondents reported that they drove alone to Main Street; 28% carpoled, and the remainder took some other mode, with almost 35% saying they walked. This indicates a significantly lower drive-alone rate than downtown Bellevue as a whole. Additionally, across travelers who used all mode types to get to Main Street, people were satisfied with the transportation experience (**Figure 3**). Predictably, those who drove alone were the least satisfied, but even among this group, more than 63% were satisfied with just over 10% dissatisfied. Those who walked to Main Street restaurants were the happiest with their transportation experience, with more than 8 in 10 saying they were satisfied with the process of getting to Main Street.

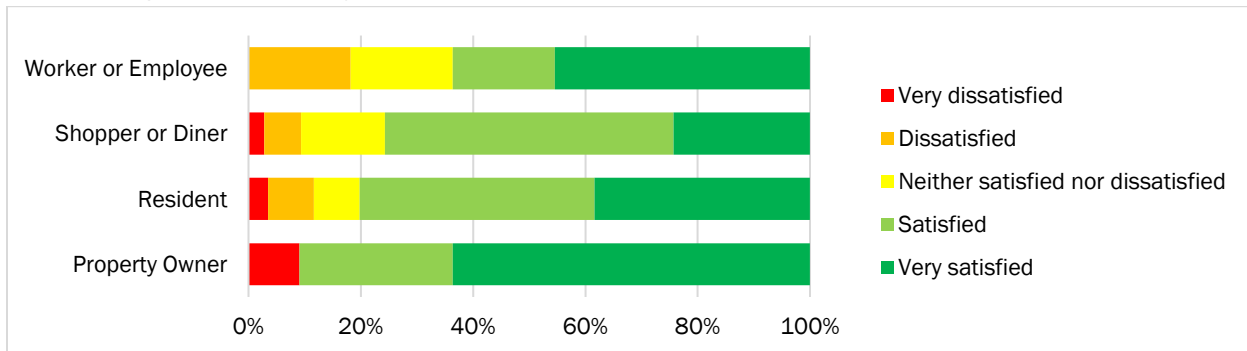
Figure 3. How satisfied are you with the experience of getting to and from Main Street? (By Transportation Mode Used)



n = 76 for “walk or roll,” 66 for “drive with others or carpool,” and 78 for “drive alone.”

We also analyzed satisfaction by relationship to Main Street (**Figure 4**). Employees of Main Street businesses were the least satisfied, though the small sample size ($n = 11$) is a cause for caution. Overall, satisfaction was high, with about 75% of shoppers/diners and 80% of residents reporting that they were more satisfied than not.

Figure 4. How satisfied are you with the experience of getting to and from Main Street? (By Relationship to Main Street)



n = 11 for “worker or employee,” 107 for “shopper or diner,” 86 for “resident,” and 11 for “property owner.”

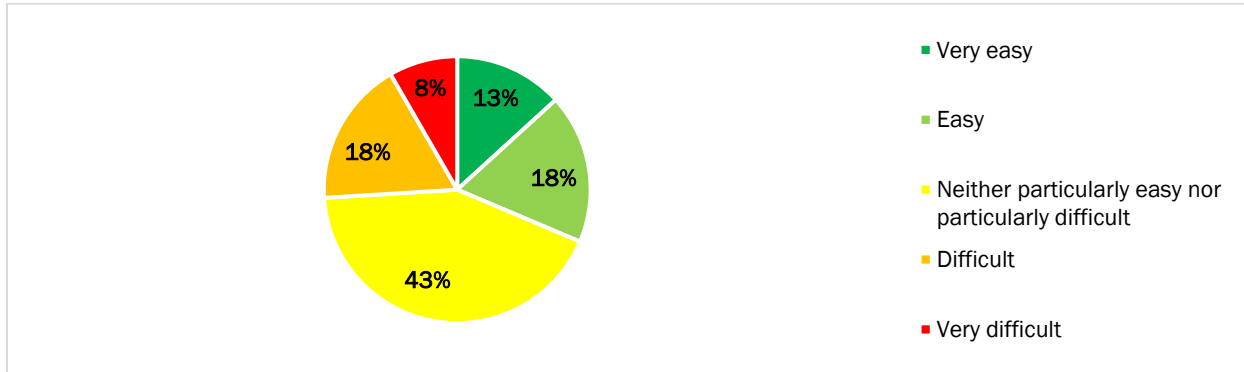
For those who drove to Main Street, we also asked a series of questions about parking. In general, respondents noted that parking was neither particularly easy nor particularly difficult, with a slight lean toward an easier experience (**Figure 6**). It should be noted that this reflects a shift from last year, when slightly more respondents said the experience was “difficult” than “easy.”

Naturally, to add dining space, some right-of-way space must be ceded, which usually means fewer on-street parking spaces. We asked survey respondents how they felt about this tradeoff. Survey participants were asked to place select a place on a number line which roughly reflected their perspective. The “zero” end of the number line represented wanting “on-street parking to be easy, even if it means significantly less outdoor dining and potentially a less active street life.” The “10” end represented being “willing to sacrifice some on-street parking in order to have more outdoor dining space and potentially a more active street life.” The average response was about 8.5, indicating a significant preference for on-street dining space in lieu of some parking.

Figure 5. How would you consider your perspective on the tradeoffs associated with outdoor dining?



Figure 6. Overall, how would you describe your parking experience? (For respondents who reported that they drove to Main Street)

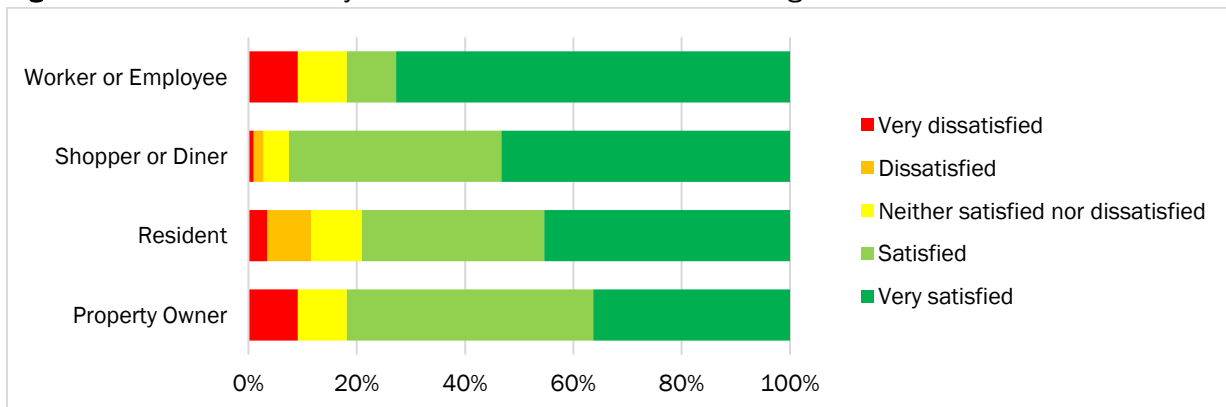


n = 204

Satisfaction

Across the board, survey respondents were satisfied with the outdoor dining areas, with 84% reporting a favorable experience and just 8% reporting some level of dissatisfaction (Figure 7). Concerns from the open-ended responses varied, but typically focused on the aesthetics of the water barriers, concerns about inadequate social distancing, and access concerns. Satisfaction varied slightly across groups, but for all respondent groups, more than 60% were satisfied with the experience. Shoppers and diners were most positive.

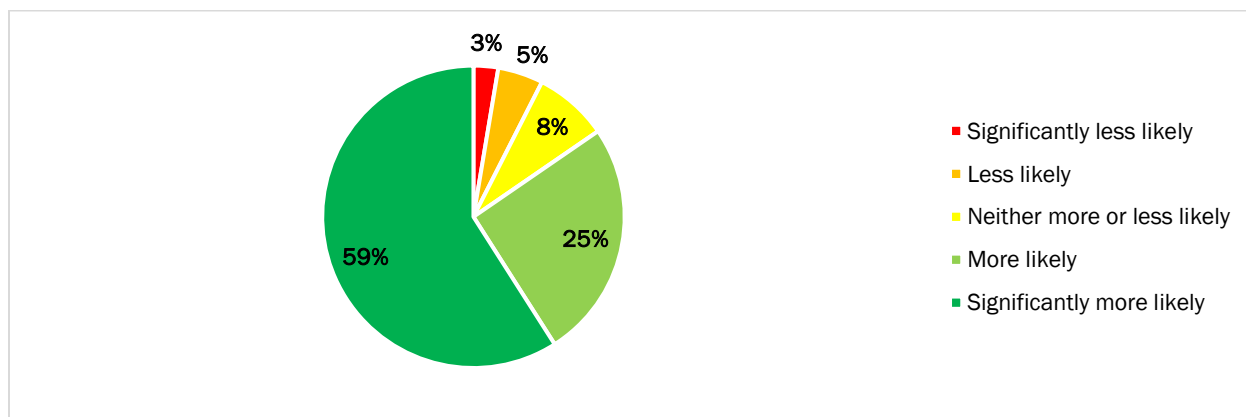
Figure 7. How satisfied are you with the extended outdoor dining areas?



n = 11 for “worker or employee,” 107 for “shopper or diner,” 86 for “resident,” and 11 for “property owner.” All other categories had fewer than 10 responses.

Additionally, when asked whether the extended dining areas make survey respondents more or less likely to visit Main Street again in the future, almost 85% say that the spaces make them more likely to visit (**Figure 8**). Just 3% said the spaces made them significantly less likely to visit.

Figure 8. Do the extended dining areas make you more or less likely to visit Main Street in the future?



n = 227

Open-Ended Responses

Survey respondents were given an opportunity to give open-ended feedback—both on the 2021 program and on any potential improvements that they would want to see in future years.

Several key themes emerged. Most notably, while some did express concerns about parking, a significant number of open-ended responses asked for a more permanent on-street dining option with better aesthetics which could be comfortable through the winter months. Many respondents noted that the traffic, noise, and vehicle exhaust on Main Street detracted from the on-street dining experience. Some of these respondents (almost two dozen) expressed a desire to either temporarily or permanently close at least part of the street to vehicles.

Other respondents raised concerns about social distancing, delivery and ADA access, and difficulties in staffing at restaurants along the street, which at times increased wait times.

Restaurant Feedback

One restaurant reported that with the additional dining space, its second-quarter cross revenue increased in 2021 by more than 30% compared to 2019. In other words, the “al fresco” dining space ultimately translates to increased sales tax revenue to the city, making it an economic development program in the truest sense.

Other restaurants in the program voiced significant support and gratitude for the additional dining space and noted similar revenue increases with the additional tables. That said, some restaurant managers expressed desire for some aspects of the program to be improved. These included:

- **Restrictive space requirements.** For example, some restaurants expressed a desire for better overhead weather protection in the parking lane or sidewalk spaces, which wasn’t allowed,

or open heating elements (such as propane fire pits). Other restaurants were unable to deploy a permissible outdoor dining space due to space limitations and dimensional standards on the sidewalk.

- **Application and review process.** Some restaurant managers felt the application was not intuitive to non-engineers, and that site plans were difficult to develop without hiring an architect or engineer. That said, restaurants did appreciate that some improvements to the property owner authorization and Hold Harmless processes were made between 2020 and 2021, and that new applications were not required for sidewalk spaces.
- **Aesthetics and “look and feel.”** Some restaurants felt the water barriers did not meet Old Bellevue’s aesthetic standards. Others expressed a desire for more permanent, platform-style spaces with better overhead protection and potentially lighting or heating.
- **Programming and marketing.** Many restaurants requested improved programming and increased activity, including events, live music, holiday lighting, or other events. This type of effort would require the reinvigoration of the Old Bellevue Merchants’ Association (OBMA) and/or a deeper partnership with the Bellevue Downtown Association (BDA).

In general, restaurants were thankful for the city’s effort in allowing additional outdoor dining and appreciated the Bellevue Downtown Association’s financial and marketing assistance. While some concerns were raised about the permitting process, those who got through were generally positive about the experience. More work could be done to ease the permitting process and support the restaurants’ desire for additional activity and programming.