

**CITY COUNCIL STUDY SESSION**

Report on the “Heart of Bellevue” recovery campaign and place management from the Bellevue Downtown Association.

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**DIRECTION NEEDED FROM COUNCIL****INFORMATION  
ONLY**

This is a co-presentation from Community Development staff and the Bellevue Downtown Association (BDA) providing an overview of the 2021 “Heart of Bellevue” recovery campaign and stakeholder organizing around placemaking. The presentation will provide a recap of the project’s genesis, goals and outcomes, and highlight the partnership-approach to placemaking behind its success.

**RECOMMENDATION**

N/A

**BACKGROUND & ANALYSIS**

Ensuring Bellevue’s commercial districts and neighborhoods evoke a strong sense of place and character authentic to the city helps to attract residents, employers, employees, and visitors. In recognition of this interdependency between quality of place and economic development, the City Council has provided strong policy direction and guidance supporting the expansion of placemaking tools, initiatives and best practices throughout many of the City’s adopted plans and strategies.

In 2019 and 2020, City staff engaged BDA in a series of incremental, pilot placemaking projects in downtown Bellevue, including yellow lanterns, tables and chairs, and colorful banners. This work was supplemented in 2020 by a robust recovery and “Buy Local” campaign which included extensive in-person engagement with small businesses, a multifaceted marketing campaign to bring people downtown, and multiple placemaking activations with key properties and businesses.

In 2021, with the COVID-19 pandemic still causing significant uncertainty for local small businesses, and major employers delaying their returns to the office, this work continued to prove important. Tens of thousands of downtown office workers had been missing for more than 15 months. With these lingering headwinds, staff identified continued needs to:

- Promote downtown offerings and support small businesses
- Drive an appropriate level of activity downtown
- Build confidence that businesses are committed to reopening safely and responsibly
- Build connections and strengthen pathways for supporting small businesses
- Ensure that downtown Bellevue recovers even stronger than it was before, with a more active street life, more events, and an improved overall experience.

In addition to the BDA's focus on marketing and promotion for small businesses located downtown, the 2021 program grew to include two additional elements.

First, in recognition of the strong positive response to the Main Street on-street dining program last summer, the BDA and the City worked together to bring back these outdoor spaces for a longer, four-month period, this time from about May 15 to September 20. The BDA also assisted in promoting outdoor dining spaces located across the rest of downtown and the entire City. In total, five restaurants expanded their dining spaces into on-street parking stalls and about two dozen offered sidewalk patio areas. These "al fresco" dining spaces make our City more vibrant, increase sales and tax revenue at local restaurants, and enhance Bellevue's quality of life. More than 80 percent of survey respondents were supportive of the on-street dining spaces. As such, Economic Development, Right-of-Way, and Land Use teams will partner with BDA to continue to grow this program next year and beyond.

Second, based on the recommendations in the City's Economic Development (ED) Plan to invest in capacity-building and activation of public space, the BDA and City staff worked together to organize stakeholder conversations around place management in downtown, including explorations of issues like wayfinding, transportation and parking, quality of place, and arts and culture. As noted in the ED Plan, these efforts can help grow the organizational capacity of our partners and accelerate their development. Stakeholders for this series of workshops included representatives from across downtown, including property managers, office tenants, small businesses and retailers, and residents. Additionally, the group discussed common issues and opportunities around place management with staff from the National Landing Business Improvement District (BID), which manages public spaces in our peer community of Arlington, Virginia.

Across the board, the stakeholder group was supportive of additional time, energy, and resources in place management. The findings from this workshop series will inform the scope of the BDA's next strategic plan, which will guide the organization's programming and operations for the next five years.

During the presentation, the BDA will share a report on their projects, including lessons learned and a look ahead to 2022.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

Existing City policies support and enable robust work on placemaking throughout Bellevue. This year's work with the BDA advanced implementation and understanding of possible refinements as outlined below. Based on the lessons learned from the "Heart of Bellevue" activation and marketing, and an

analysis of best practices for the COVID-19 pandemic economic recovery efforts around the country, three key takeaways have emerged:

- In times of stress, the resilience of local economies and their small businesses is closely connected to the presence and strength of local partner organizations with the capacity to reach and support them with connections to available resources, programming and advocacy. The BDA's ability to connect with and provide ground-level support to Downtown Bellevue businesses has proven essential to the City's ability to assess needs and ensure the broadest reach with available resources. Similar partnerships are needed citywide.
- Ground level-implementation of placemaking programming in the public realm is critical, but challenging, tedious, and time-intensive work. It requires extensive relationship building with property owners, small businesses and residents. Even the smallest of public realm activations requires dedicated staff, time and money.
- Cities that are truly committed to creating vibrant, active places don't do it alone. They rely on partnerships and invest in growing the capacity of local organizations to help support placemaking goals. This work is emphasized in the 2020 Economic Development Plan and will be especially critical for projects like the Grand Connection, which rely heavily on partnership and investment from private partners.

These key takeaways reinforce the recommendations and strategies found within various City policy documents, including the Economic Development Plan, the *Comprehensive Plan*, the *Downtown Livability Initiative*, the *Grand Connection Framework Plan*, and various planning efforts focused on the visitor experience, the creative economy, and the development of the City. For example:

The "Economic Development" element of the *Comprehensive Plan* includes the following policies:

- **ED-14:** Recognize the economic development benefits of City and private sector investments in urban amenities like arts and culture, open space and recreational facilities, and high-quality urban design. Strengthen the City's assets in these areas as an explicit component of the City's economic development strategy.

The "Urban Design & The Arts" element of the *Comprehensive Plan* includes the following policies:

- **UD-4:** Create a safe, engaging and attractive pedestrian environment throughout the City using appropriate urban design features.
- **UD-58:** Provide a system of public places of various sizes and types throughout the community with a variety of experiences and accommodations.

Additionally, this program is supported by strategies identified in the *Economic Development Plan* adopted in 2020:

- **Capacity-Building and Partnerships 2:** Apply a partnership approach to strategies throughout economic development efforts to expand and improve service delivery.

## **Fiscal Impact**

This work is part of the City's larger effort to develop sustainable public-private partnerships. City funds were leveraged at least 4:5 thanks to support from major downtown employers. City of Bellevue supported the BDA's "Heart of Bellevue" recovery campaign and activation effort with a combination of funds including the City's economic development grant from the Port of Seattle, the Grand Connection CIP budget, and the economic development Competitiveness and Collaboration CIP fund.

Funds were leveraged with additional private-sector sponsorships to support the BDA's placemaking and marketing work. This included \$25,000 from Microsoft to support AI Fresco dining and additional sponsorship funding from Amazon and Symetra to support the Heart of Bellevue campaign.

While the full public benefit of these programs is difficult to evaluate, the AI Fresco program in particular did result in significantly increased sales at restaurants on Main Street. For example, one restaurant reported that with the additional dining space, its second-quarter gross revenue increased by 37 percent versus 2019. Staff analysis suggests this translates to approximately \$3,000 in net increased sales tax revenue and approximately \$400 in net increased B&O tax revenue from this restaurant in Q2 alone. In other words, additional dining space ultimately translates to increased sales tax revenue to the city, making the AI Fresco program economic development in the truest sense.

The additional revenue also improves viability for restaurants participating in the program, helping to preserve employment and services for local residents. A typical full-service restaurant typically garners a 3-5 percent profit margin. Particularly with our region's high retail rents, every marginal dollar of revenue helps improve a restaurant's financial position. Additionally, more visitors to restaurants on Main Street means more visitors to independent retailers as well; as such, improving the viability of local, independent restaurants increases Bellevue's economic vitality and diversity.

## **OPTIONS**

N/A

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

A. Bellevue Downtown Association "Heart of Bellevue" Report

## **AVAILABLE IN COUNCIL LIBRARY**

N/A