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# Streatery Program Assessment

Report and Recommendations July 2023

## I. BACKGROUND

Allowances for commercial use of the right-of-way (including streateries, parklets, food trucks, sidewalk cafes, and sidewalk vendors) were adopted in 2019, prior to the COVID-19 pandemic. These activities are regulated under <u>Bellingham Municipal Code 13.14</u> and the <u>Commercial Right of Way Use policy</u> guide. The purpose of the program is to encourage active street life, prioritize pedestrian use of the right-of-way and support local businesses.

"Streateries" are structures built at or below grade of the sidewalk within on-street parking areas to create space for outdoor dining. During pandemic-related restaurant closures, the cap on the number of allowable displaced parking stalls for each commercial district (no more than 10) was lifted to support businesses experiencing extreme financial duress, allowing more "steateries" to be constructed. Further allowances were made to accommodate overhead coverings, heating elements, and other winterization measures as the pandemic continued and outdoor dining remained a preference for many customers and restaurant employees.

Approximately 30 streateries were permitted between March 2020 and December 2022, most within the downtown district. Several locations downtown and one in Fairhaven utilized vehicle travel lanes in addition to parking areas to create more dining and pedestrian space. These have since been removed, except for two authorized for continued use: 1) block of 4 streateries at the 200 block of W Holly Street, which absorbed a leftturn lane, and 2) at the 300 block of W. Champion, where traffic was rechanneled to allow construction of a streatery in a location without on-street parking.



W Champion Street streatery. WWU Student Photo

Streateries and other commercial uses of the right-of-way

require a temporary right-of-way use permit from the Public Works Department (\$150 or \$350, depending on above/below 1,000 sq. ft). The permitting process includes an assessment of traffic impacts, public route of travel, ADA accessibility, and safety concerns. Streateries with overhead

coverings require additional review and approval of a building permit. This may include evaluation by a structural engineer, electrical permits and/or additional fire department review. Nominal fees (generally less than \$500) are assessed for these permits. The annual renewal fee is \$50.00.

During the fall quarter of 2022, City staff worked with students at the WWU College of the Environment to assess the streatery program, including existing conditions, public opinion, design, fees and safety considerations. City staff also performed an internal evaluation. Recommendations were forwarded to the economic development and design committees of the Downtown Bellingham Partnership for review and feedback. This report summarizes the assessment and provides policy recommendations for the long-term continuance of the streatery program. Additional feedback will be solicited from the community via Engage Bellingham and City Council.

## II. WWU ASSESSMENT METHODOLOGY

The streatery assessment was conducted by students in WWU's urban planning program under the guidance of Professor Tammi Laninga in consultation with City project manager Darby Galligan and other City staff, including the building official and fire marshal. The student groups focused on the following areas:

<u>Current Conditions</u>: Students created an assessment matrix and conducted a visual survey to evaluate streateries in terms of compliance with current regulations, maintenance, and aesthetics. Results are summarized in Section III, below.

<u>Public Opinion:</u> An online survey based on the New York City Outdoor Dining Survey was distributed via posters with QR codes posted throughout the downtown and Fairhaven, at local businesses, and electronically via the City's Engage Bellingham and social media platforms. Local media outlets, including Cascadia Daily, KGMI and KPUG also shared information and encouraged the public to participate. Over 1,400 responses were received. Students also interviewed 8 business owners with active streateries.

<u>Design Considerations</u>: The streatery regulations do not currently include design guidelines or requirements. This has resulted in a range of aesthetics. Students used the information gathered during the visual survey, design requirements in other communities, and the results of the online survey to develop design requirements for consideration.

<u>Assessment of Fees:</u> Streateries are revenue-generating space for businesses, which has been critical to their continued operation and recovery from pandemic-related losses. Current permit fees are nominal: approximately \$350 for the initial permit and an annual renewal fee of \$50. Students interviewed streatery owners and conducted research in other communities to offer suggestions on methodologies to establish a more appropriate fee for private use of public space, including assessment of the State-required Leasehold Excise Tax (LET).

<u>Safety Considerations</u>: Parklets and streateries are currently required to comply with the NACTO (National Association of City Transportation Officials) <u>guidelines</u>. These include requirements for traffic control, spacing, and visual cues to vehicles. The students' visual survey assessed compliance with NACTO standards, as well as ADA accessibility regulations. Information from

the public survey was also used to focus research and develop recommendations to improve the perception of safety of the structures.

## III. CURRENT CONDITIONS: RESULTS OF WWU VISUAL ASSESSMENT

The student team evaluated 19 streateries using the conditions assessment tool. The most common compliance concerns were related to:

- 1) Proximity to accessible (ADA) parking
- 2) Accessibility (ADA compliance) of streatery
- 3) Aesthetics, including lack/quality of landscaping, design character, overhead obstructions, etc.
- 4) Wall heights inhibiting visibility to the interior of the structure
- 5) Lack of signage/clarity regarding hours of operation and use
- 6) Leaves or other materials inhibiting proper stormwater drainage
- 7) Sidewalk obstructions
- 8) Lack of/inconsistent use and appearance of traffic delineators
- 9) Maintenance, litter or overall streatery condition (lack of seasonal maintenance)
- 10) Use of propane heating elements/fire safety concerns
- 11) Weatherization

These findings were used to develop the recommendations listed later in this report.

## IV. PUBLIC OPINION SURVEY & INTERVIEWS

Over 1,400 people responded to the electronic survey published by the students and open from November 13-28, 2022.

Public opinion from survey results varies. About 30% acknowledged the benefits of streateries to support local restaurants (especially during the COVID-19 pandemic) and to provide a new way to enjoy dining in Bellingham. 26% appreciated that they create a more vibrant streetscape. Over 60% of respondents indicated that they are very likely or likely to dine in a streatery if available at the restaurant they visit.

The number one concern expressed in the survey was the design and feel of streateries, with an emphasis on improving the quality of building materials and providing cohesiveness of the structure with the character of downtown. This issue, particularly the structural integrity, material, and safety aspects, was listed as a primary concern in over 100 of the written survey responses.

Other top concerns were displacement of parking, safety while dining, sidewalk congestion for pedestrians, and accessibility/compliance with ADA requirements. Over 50 comments focused on restricting streateries to warmer seasons or providing more heating and protection from the elements for winter comfort.

Other common recommendations from the surveyed population were to:

- Add design standards (e.g. not allow at grade with drive lanes, consideration for blocking historic buildings, no plastic, no construction barriers).

- Either remove them altogether OR add more (or additional consideration of appropriate locations).
- Support more pedestrian streets, lane or block closures or public spaces in general (with some concerns expressed about the use of drive lanes for this purpose).
- Charge fees for fairness and to replace lost parking revenue.
- Consider loading areas/impact on vehicle and bike parking.
- Increase visibility for vehicles and better site lines for pedestrians.
- Standardize traffic barriers.
- Integrate them into the streetscape for more permanence and cohesion.
- Require cleaning and maintenance.

## According to most Bellingham residents and business owners, streateries should remain. They agree that the benefits of streateries outweigh the downsides.

Eight business owners with streateries (or their representatives) were interviewed to gather feedback on their perceptions of the successes and challenges of the program. All said outdoor dining has been critical to the success of their business. All spent more than \$10,000 on their streateries, most more than \$20,000, but have recuperated the investment with revenue from additional tables. Business owners generally acknowledge that the permit cost is disproportionately low compared to the revenue generated from the additional space. Some concerns expressed by their staff included confusion as to whether customers are dining or just hanging out if they don't check in, and some have experienced security issues like vandalism and theft. The impact of severe weather on delivery and quality of the food and service was also mentioned.

"We need (streateries) for years to come, to break out of the debt caused by the pandemic" - Bellingham business

and streatery owner

## V. STREATERY DESIGN

Streatery design was the top concern expressed by survey respondents. To establish a standard of what the community perceives as a high quality, "model" streatery, students asked the community via the public survey to identify their favorite parklets in Bellingham. The photos below highlight the most popular and well-liked streateries identified by survey respondents. Others that received several mentions were the Redlight and Shakedown on State Street and Old-Town Café on W. Holly Street.



(left): Structures Brewing (source: Structures Brewing Instagram) (middle): Streateries on Holly Street (source: Bellingham Herald) (right): Storia Cucina (source: Storia Cucina's Facebook)

The student team also researched streatery design standards in Seattle, Spokane and Renton to identify best practices for improving the accessibility, functionality, sustainability, aesthetics and safety of the structures. These recommendations were reviewed by City staff and the Downtown Bellingham Partnership Design Committee. The recommendations below intend to strike a balance between allowing unique character and creating some uniform aesthetic expectations.

#### **DESIGN RECOMMENDATIONS:**

- Provide additional guidance to applicants regarding compliance with ADA accessibility standards. See City of Seattle and City of Spokane accessibility guidelines. These should include the following elements:
  - Matching sidewalk grade or providing properly sized ramps with slip-resistant flooring.
  - b. Cane detectable fencing or planter guidelines
  - c. Minimum aisle width of 44 inches
- 2) Require construction of a platform; no ramps down to pavement at grade with the drive lane.

"Currently (streateries) are haphazardly built. Some look solid and well-constructed (like X in Fairhaven), with a finished look and a warm inviting atmosphere. Others (like X and X), look hastily thrown together with rickety mismatched materials that don't look sturdy or pleasing. Standardizing a design that looks and feels adaptably yet professional and safe is important. The streatery should look and feel like it was a well thought out accomplishment, not a zipped tied garage surplus afterthought"

- Fifty percent of the perimeter of the streatery shall be fully open from the ground to the top of the structure,
  with the expectation of a partial height wall that is not talle
  - with the expectation of a partial height wall that is not taller than 42 inches in height.
- 4) Enforce incorporation and maintenance of landscaping and greenery.
- 5) Require replacement of any displaced bicycle parking.
- 6) Maximum size aligned with the building frontage.
- 7) No advertising except for name, address and/or phone number of business and logo.
- 8) Material standard recommendations:
  - Metal (stainless steel, unfinished or waxed steel, aluminum, anti-corrosive coated metal (e.g., powder coated))
  - Wood (Naturally rot-resistant wood (e.g., cedar) OR properly treated wood wood should be adequately primed, stained, and coated if not naturally rot-resistant to prevent

<sup>-</sup> Survey respondent

deterioration and mold growth.

- Decorative material stone, cement, brick
- No Glass OR use shatter resistant glass (e.g., tempered glass, laminated glass)
- No pallets
- No fabric or flexible membranes
- No sheet plastic.

## VI. FEES

New streateries are currently charged the following permit fees:

Platform Only	
Temporary ROW Use	<1,000 s.f. = \$150
	>1,000 s.f. = \$300
Annual Renewal	\$50/year
Covered Structure	
Land Use Review	\$107
Building Permit	~ \$250 or more based
	on project valuation
Fire Permit	\$35-\$300 based on
	project valuation
Inspection Fees	\$107/hour if required
Electrical Service	
Electrical Permit	\$25 and up, depending
	on service

The purpose of the annual renewal is to ensure ongoing compliance with the permit conditions, including proof of active liability insurance. The cost for the annual renewal of the temporary right-of-way use permit is \$50. Other permits remain active for the duration of the streatery.

As of November 2022, a total of approximately 49 parking stalls have been displaced by streateries. The majority of these are in paid parking districts of downtown and Fairhaven.

Current parking fees are charged Monday-Saturday between 11am-6pm (7 hours/day)

- Hours 1 and 2: \$1.50 per hour
- Hours 3 and 4: \$2.00 per hour
- Hours 5 and 6: \$3.00 per hour
- Hour 7: \$5.00 per hour

This represents the potential loss of revenue of \$18 per parking stall per day, which is highly variable based on the location, hours and frequency of use of each stall. For example, if the 49 parking spaces were utilized 85% of the time during paid parking hours (which is a very high utilization estimate), each stall would generate approximately \$4,775 annually, for a total annual revenue of \$233,906 into the parking services fund.

"If restaurants want to expand seating, they should have to pay to do so at their own expense (commensurate with the vast increase in sales from all the additional seats), not at taxpayer expense."

- Survey respondent

The City has not implemented on-street parking fees for the

purpose of generating revenue, but to instead promote parking turnover in highly utilized districts for customer use as part of a comprehensive parking management strategy. Moreover, the streatery program is in line with the City's adopted sustainability and livability goals. Therefore, recuperation of the maximum possible revenue from each parking stall should not be the basis for establishing a fee schedule.

Every city calculates fees differently, based on needs and priorities. The WWU student team reviewed fee collection methodology in the cites of Wenatchee, Spokane, Fort Collins and San Diego. Many of these communities calculate permit or annual fees on a per square foot basis, which is more equitable and related to cost per square foot of useable area rather than parking revenue. Parallel parking stalls are generally 9' x 20' in dimension, 180 square feet per stall. Most streateries utilize 2 parking stalls, for a total of 360 square feet average size.

Current retail lease rates downtown are estimated between \$12-18 per square foot, higher in Fairhaven. However, the assumption is that lease rates for on-street parking spaces should be substantially below market rent based on lack of amenities. Even a low charge of \$2.00 per square foot would result in a rate of \$360/month per parking stall, or a total annual fee of \$4,320 per displaced paid parking stall (approximately \$8,640 per year for the average two-stall permit holder).

Alternatively, costs could be established based on a land lease rate, which is typically 8-10% of the appraised land value<sup>1</sup>. For example, the Port of Bellingham charges a land lease rate of 8%. The average appraised land value for downtown is \$51.65 per square foot based on 2021 tax values<sup>2</sup>. At a rate of 8%, the annual parklet fee would be approximately \$744 per parking stall, or approximately \$1,488 per streatery. Payment of 12.84% Leasehold Excise Tax is also required by the Department of Revenue, for a total annual renewal fee of \$1,679 for a streatery utilizing two standard sized parking stalls.

## FEE RECOMMENDATIONS:

- 1) Maintain current application fees.
- 2) Adopt by City Council resolution an annual streatery renewal fee based on 8% of the average appraised land value plus 12.84% Leasehold Excise Tax to reflect the economic benefits of additional revenue-generating restaurant space and supplement lost parking revenue to support improvements throughout the commercial district.

<sup>&</sup>lt;sup>1</sup> Based on a June 8, 2023 informal phone conversation with Troy Muljat, CCIM, CPM, ABR, CRB of Bellingham Appraisers, a local commercial land appraising firm

<sup>&</sup>lt;sup>2</sup> This does not include public and other tax-exempt properties (including senior/disabled exemptions)

## VII. SAFETY

As mentioned earlier in this report, all streateries are required to obtain permits from the Public Works Department to assess traffic safety, including compliance with ADA and NACTO guidelines. Additionally, overhead structures require a building permit review for structural stability and fire safety. Despite these requirements, the following issues and concerns were identified during the conditions assessment and via public survey results and interviews with City staff:

- Lack of wheelchair accessible entrances
- Fire safety concerns regarding heating elements
- Visibility issues
- Structures placed too close together (exiting issues)
- Blockages of stormwater drainage
- Sidewalk obstructions
- Lack of/inconsistent traffic delineators
- Overhead obstructions
- Weatherproofing deficiencies

The City has performed periodic enforcement of these concerns and violations and recommends additional safety requirements, including several promulgated by the <u>International Parking and Mobility</u> <u>Institute</u>.

## SAFETY RECOMMENDATIONS:

- 1) Require a minimum 15-foot separation from catch basins and fire hydrants and 10-foot separation from buildings.
- 2) Locate the streatery at least one parking space from the intersection (NACTO guideline).
- 3) Provide a wheel stop 4 feet from the structure (NACTO guideline) and 1 foot from the curb at both ends (not required in diagonal parking spaces). Wheel stop length between 4-6 feet. Alternatives such as fortified planters, ecoblocks, etc. may be considered.
- 4) Minimum 2-foot buffer between edge of seating and travel lane, delineated by a traffic barrier or fortified planter (NACTCO guideline).
- 5) Reflective delineator post(s) at the outer corners of the parking space/loading zone, 6 inches from the wheel stops. Delineator posts must be 42 inches tall, cylindrical, white, flexible, and include reflective striping.
- 6) Minimum 3-foot separation between structures, with a break barrier for fire access and egress.
- 7) Minimum 5-foot clear and direct path through the structure to any front entrance or lobby of buildings with residential or sleeping spaces.
- 8) No fabric or flexible membranes.
- 9) Maximum wall height of 42".
- 10) Post address/street number on the exterior of the streatery.
- 11) Provide adequate space for fire truck staging, as determined by the Fire Department.
- 12) Regularly clean inside and around the structure, including seasonal maintenance of landscaping, maintain a leaf and ice-free environment, keep drainage areas clear, perform daily cleaning of spills and food scraps.
- 13) Prohibit propane heaters, due to the possibility of carbon monoxide poisoning, risks of storing flammable gas in the right-of-way and potential storage of multiple tanks causing additional risk.

## VIII. CONCLUSION AND NEXT STEPS

29% of survey respondents felt the streatery program should be continued as-is. 40% said streateries should remain permanent with further standardization and regulation. 19% would like to see them phased out now that pandemic-related restrictions are lifted.

The streatery program is working as intended. However, implementation of the recommendations in this report will improve the program for long-term fairness and functionality, limiting impacts and creating opportunities for active public street life.

## **GENERAL RECOMMENDATIONS:**

- 1) Solicit public input on the proposed recommendations in this report via Engage Bellingham and provide an update on the program to City Council.
- 2) Adopt final recommendations into the Commercial Right-of-Way use Guide.
- 3) Notify all existing streatery permit holders of the new requirements.
- 4) Perform an inspection of the streatery (building, Fire, traffic, ADA and insurance) during the annual renewal process to identify deficiencies.
- 5) Require streateries to bring structures into compliance with existing and new guidelines by the next annual renewal period (or remove the structure).
- 6) Require removal of the streatery upon closure or relocation of the business. If not removed or reapplied within 30 days, Public Works will remove the structure and bill the applicant.
- 7) Improve the inspection and compliance process.
- 8) Prohibit more than 1 streatery per block face unless coordinated with the effected business and property owners.
- 9) Perform an updated downtown parking study to assess current parking supply and demand.

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