



COUNCIL REPORT

DATE: April 14, 2026
CATEGORY: Consent
DEPT.: Community Development
TITLE: **Downtown Entertainment Zone Pilot Program**

RECOMMENDATION

Introduce an Ordinance of the City Council of the City of Mountain View Establishing an Entertainment Zone on Portions of Castro Street Consistent with Senate Bill 969 as Codified in Business and Professions Code Section 25692, to be read in title only, further reading waived, and set a second reading for April 28, 2026 (Attachment 1 to the Council report).

BACKGROUND

Entertainment Zone Legislation

In 2024, the California Legislature adopted Senate Bill (SB) 969¹, which allows local municipalities and counties to designate “Entertainment Zones.” An Entertainment Zone is a defined area where patrons may consume alcoholic beverages in public spaces, such as streets, sidewalks, or plazas, during specified days and hours. SB 969 expanded upon a law that had previously applied only in the City and County of San Francisco (SB 76) to allow Entertainment Zones to be established in any jurisdiction in the state.

Entertainment Zones must be established through a local ordinance and must comply with the regulations of the California Department of Alcoholic Beverage Control (ABC). Existing businesses may be eligible to participate in the sale of alcoholic beverages as part of an Entertainment Zone if they have an existing permanent business location (i.e., a brick-and-mortar business) within the designated Entertainment Zone and possess an active ABC license. Participating businesses may allow their patrons to leave the business premises with an open alcoholic beverage container for consumption within the boundary of that Entertainment Zone.

Communities that have adopted Entertainment Zones have found they have contributed to downtown revitalization, increased foot traffic for local businesses, and created more vibrant public spaces. By allowing patrons to responsibly enjoy alcoholic beverages outside of

¹ Link to SB 969: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB969

participating establishments, Entertainment Zones can encourage longer visits, support restaurants and retailers, and enhance the overall downtown experience.

Strategic Alignment with City Plans and Strategies

Special events are a cornerstone of Mountain View's economy, culture, and identity. By hosting special events, concerts, and festivals throughout the year, the City fosters a sense of belonging and shared community experience while supporting local businesses and generating economic activity. Establishing an Entertainment Zone aligns with several adopted City plans and strategies by supporting downtown vitality, activating public spaces, and enhancing community programming.

1. **Economic Vitality Strategy**. An Entertainment Zone directly advances the City's Economic Vitality Strategy (EVS)², particularly Goal 2E: Enhance downtown vibrancy through events, programming, and placemaking. By creating a framework that allows visitors to responsibly enjoy alcoholic beverages while moving between participating businesses and public gathering spaces, the program supports local establishments and strengthens the downtown experience. Specifically, the Entertainment Zone supports the following EVS actions:

- **Action 2E.3**: Build on the success of the Mountain View Farmers' Market, Summer Cornhole League, Music on Castro, and other downtown experiences to create more regularly occurring public events that showcase downtown businesses.
- **Action 2E.4**: Continue to enhance and program public gathering spaces in downtown Mountain View that make people feel welcome.

In addition, the program supports broader economic vitality objectives by:

- ***Directly Supporting Brick-and-Mortar Businesses***. Consistent with SB 969, only licensed establishments with a physical location within the designated zone may participate, ensuring economic benefits remain local.
- ***Encouraging Increased Visitor Spending***. Allowing patrons to move within a shared entertainment area can increase visitor "length of stay" and overall spending at downtown businesses.
- ***Strengthening Mountain View's Entertainment and Dining Economy***. The program provides a modern framework that supports restaurants, bars, and entertainment venues while helping downtown remain competitive as a regional destination.

² Link to EVS: <https://econdev.mountainview.gov/business/economic-vitality-strategy>

2. Mountain View 2030 General Plan. An Entertainment Zone is also consistent with policies in the City's General Plan³, which emphasizes downtown as a vibrant mixed-use district and community gathering space. Relevant policies include:
 - LUD 5.3: Encourage the use of public streets, sidewalks, and plazas for community gatherings and social interaction.
 - LUD 7.1: Promote downtown as a daytime and nighttime center for social, entertainment, cultural, and business activity.
3. Downtown Precise Plan. While the Downtown Precise Plan is currently undergoing a comprehensive update⁴, both the current framework and emerging vision emphasize placemaking and active public spaces. Key concepts include:
 - **Public Art and Placemaking**. Downtown is envisioned as an “outdoor living room” where residents and visitors can gather, socialize, and experience arts and culture.
 - **Active Storefronts and Street Activation**. Policies encourage strong interaction between storefronts and the public realm to create an engaging and safe pedestrian environment.
4. Parks and Recreation Strategic Plan. The draft Parks and Recreation Strategic Plan⁵ (scheduled for adoption in Q2 2026) includes goals focused on increasing community participation in programs and events. An Entertainment Zone can support these goals by providing additional opportunities for community gatherings and event programming in downtown public spaces. Relevant strategies and actions include:
 - Deliver inclusive program offerings that serve diverse community needs.
 - Expand partnerships for program delivery, awareness, and participation.
 - Enhance adult programming (18+) through diverse offerings in fitness, wellness, and enrichment that respond to evolving community interests.

³ Link to 2030 General Plan: <https://www.mountainview.gov/generalplan>

⁴ Link to Downtown Precise Plan Update: <https://www.mountainview.gov/our-city/departments/community-development/planning/city-planning-and-policy-projects/downtown-precise-plan-phase-2-update>

⁵ Link to Parks and Recreation Strategic Plan: [Imaginemvparks.com](https://www.mountainview.gov/our-city/departments/parks-and-recreation/strategic-plan)

Precedents in Other Jurisdictions

Since SB 969 became effective January 1, 2025, several jurisdictions throughout California have begun exploring and implementing Entertainment Zone programs:

- **San Francisco**: As the early adopter under prior legislation applicable only to San Francisco (SB 76), San Francisco established the state's first Entertainment Zone on Front Street in 2024. The program has since expanded to 15 zones citywide and has been credited with increasing foot traffic and supporting downtown businesses.
- **San Jose**: In 2025, San Jose designated eight downtown areas as Entertainment Zones that may be activated in conjunction with Outdoor Special Event Permits.
- **Santa Monica**: Santa Monica launched the first Entertainment Zone in Southern California along the Third Street Promenade. The zone operates Friday through Sunday and utilizes wristbands for age verification. The City of Santa Monica is conducting three-month evaluations to monitor safety, compliance, and economic impacts prior to potential expansion.
- **Sacramento**: Sacramento activated a zone at 20th and K Streets during the 2025 Rainbow Festival, drawing approximately 3,000 attendees. Participating businesses reported increased sales compared to similar events without the designation.
- **Long Beach**: Long Beach approved a one-year pilot program focused on city-permitted special events. Following a successful debut event in August 2025 featuring live music and a beer garden, the City of Long Beach is evaluating the establishment of permanent zones in its Downtown Dining and Entertainment District.

ANALYSIS

The City is pursuing innovative strategies to bolster downtown vitality ahead of the 2026 FIFA World Cup. To leverage this global event as an economic catalyst, staff proposes creating an Entertainment Zone in downtown along Castro Street. The proposal would enable activation of an Entertainment Zone in conjunction with selected City-planned events during an 18-month pilot period.

The proposed ordinance establishes the framework for designating and managing a pilot Entertainment Zone, ensuring alignment with ABC regulations as detailed in Attachment 1 and summarized below. The ordinance prioritizes public safety and regulatory compliance while providing opportunities for City-sponsored events, such as the World Cup "watch parties" planned by the City as part of FIFA World Cup activations in July 2026. The initial implementation pilot period will be managed by the Economic Development Division in the Community

Development Department in collaboration with the Police, Fire, Community Services, and Public Works Departments to ensure a vibrant, safe, and successful experience for residents and businesses.

Pilot Phase Duration

Staff recommends implementing the Entertainment Zone as an 18-month pilot program. This duration allows for a comprehensive evaluation of the zone's economic impact, public safety compliance, and operational needs and feasibility over two spring/summer activation periods in 2026 and 2027, during which staff anticipates most Entertainment Zone activations will occur. During the pilot period, staff will present at least one interim review to the City Council between the first and second spring/summer activation periods, potentially in Q1 2027. The interim review will evaluate lessons learned from the City-led Entertainment Zone activations and consider opportunities to expand Entertainment Zone activations to non-City-led events. Such an expansion to privately-planned public events could be implemented within the 18-month pilot period.

At the conclusion of the 18-month term of the pilot in November 2027, it will be necessary for the Council to consider and provide direction on next steps for the program, including whether to permanently adopt the Entertainment Zone, with modifications as necessary, to expand Entertainment Zones to other areas of the city, or to allow the pilot program to sunset. As required by SB 969, the City must also review and evaluate the operation of a designated Entertainment Zone every two years and report findings to ABC.

Activations Initially Limited to City-Organized Events

Staff recommends limiting activations of the Entertainment Zone to City-hosted and organized special events until the City Council conducts its interim review of the Entertainment Zone pilot program, as mentioned above. This will provide the City with a high level of control over when and how the Entertainment Zone is activated and operated. The City will maintain the flexibility to scale the zone, choosing a full street closure for larger events or a segmented approach for smaller, block-specific activations. This high level of control will ensure the City can adequately address public safety considerations and develop standard operating procedures, including detailed site maps, traffic control plans, security plans, and alcohol perimeter controls, before Council considers expansion of Entertainment Zone activations to non-City-led events. The interim review of the Entertainment Zone pilot program, which staff estimates would occur in the 1st Quarter of 2027, would provide the City Council with an opportunity to consider whether to expand activation opportunities to non-City-led events. The timing of the initial review would allow ordinance amendments to take effect before the 2027 spring/summer activation period.

Geographic Boundaries and Activation Areas

The ordinance proposes the creation of an Entertainment Zone to include all streets, sidewalks, and public rights-of-way within the 100, 200, 300, 400, and 500 blocks of Castro Street, including the Civic Center Plaza and half-block portions of the cross streets at Villa Street, West Dana Street, California Street, and Mercy Street (see Figure 1). The entire Entertainment Zone, or specific subareas within it, may be activated for specific events based on operational needs and the nature of the event. This area was selected based on several factors, including established cultural and commercial identities, concentration of ABC-licensed businesses, pedestrian-friendly environment, and history of hosting successful special events.

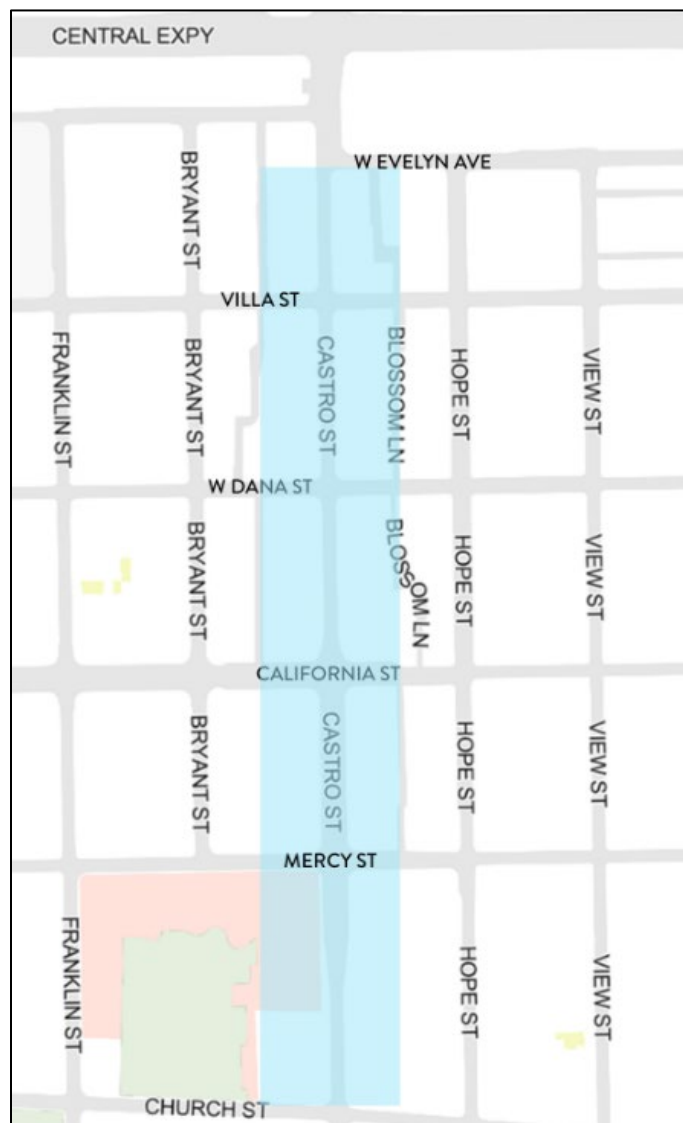


Figure 1: Entertainment Zone Boundary

Street Closures

To accommodate the full extent of the Entertainment Zone boundaries, temporary street closures may be implemented on the 400 and 500 blocks of Castro Street. The 100, 200, and 300 blocks of Castro Street are already permanently closed to vehicular traffic. Patrons may not carry open containers across streets open to vehicular traffic, so the City may additionally close portions of cross streets during events (Villa Street, West Dana Street, California Street, and/or Mercy Street) to facilitate a continuous Entertainment Zone across multiple City blocks. This will create a cohesive destination feel and provide a seamless, pedestrian-only “festival” environment, enabling patrons to move freely between blocks with alcoholic beverages.

Operating Hours

The proposed ordinance establishes the maximum hours during which an Entertainment Zone may operate. Outdoor consumption of alcoholic beverages within the Entertainment Zone would be permitted within the hours of 8:00 a.m. to 11:00 p.m., seven days per week, provided that at least one participating licensee within the zone is authorized to sell alcoholic beverages for on-site consumption during those hours (each individual licensee participating in an Entertainment Zone activation shall remain subject to operational limitations on their respective ABC license).

The specific hours of operation for each Entertainment Zone activation will vary based on the nature of the event and associated logistics, but must fall within the authorized 8:00 a.m. to 11:00 p.m. time frame. Staff anticipates that most events will occur during a several-hour subset of the overall 15-hour allowable time frame. Public consumption of alcoholic beverages within the Entertainment Zone would remain prohibited at all other times.

Eligibility and Participation

Licensed businesses that intend to participate in an Entertainment Zone activation must comply with all applicable state laws and ABC regulations. This includes fulfilling the state requirement to submit an advance notice of their participation to ABC. Notifications must be submitted annually through the ABC website, and failure to do so may result in enforcement action by the ABC and may jeopardize a business’s ABC license. Participation is voluntary, and no business would be obligated to take part simply because they are located within the zone. Rather, the ordinance would provide a legal and operational framework for those businesses choosing to participate.

Types of Alcoholic Beverages

The proposed Entertainment Zone would allow the sale of open alcoholic containers by a participating ABC licensee, which can be consumed within the Entertainment Zone (i.e., off of the ABC licensee’s premises), and may consist of beer, wine, and/or distilled spirits, subject to the

conditions and limitations imposed on the establishment by their City of Mountain View permits or individual ABC license, and any additional limitations imposed by the Entertainment Zone Operations Manual.

Operations Manual

Staff will develop a comprehensive Entertainment Zone Operations Manual (draft manual included as Attachment 2) to establish administrative protocols. For each event, an “Entertainment Zone Lead” shall be designated to serve as the primary point of contact. Staff will closely monitor all events and make adjustments to the manual as needed to ensure the zone remains a safe environment for the entire community. Should the City Council authorize Entertainment Zone activations for non-City-led events in the future, updates to the Operations Manual will be necessary to address the unique aspects inherent to activations by private or nonprofit entities.

Identification, Containers, and Movement

Participants may not bring outside alcohol into the Entertainment Zone (i.e., alcohol that does not come from a participating business within the zone). In accordance with state law, participating businesses must serve “to-go” beverages in nonmetal and nonglass containers and must conduct standard age identification checks at the point of sale for alcoholic beverages to uphold their responsibility to prevent underage drinking. For each event, patrons may be provided with an official City-provided wristband, which must be worn at all times while consuming alcohol in the Entertainment Zone. Alternatively, or in addition, beverages may be served in identifiable, event-specific cups.

Boundaries and Signage

The Entertainment Zone boundaries must be clearly marked using City-approved methods, such as signage and/or sidewalk decals, to ensure patrons and law enforcement can easily identify the permitted area for alcohol consumption.

While the zone encourages foot traffic, alcoholic beverages must be consumed within the Entertainment Zone only, and patrons are prohibited from carrying open containers into other participating or nonparticipating businesses.

Security Requirements

Staff event organizers will develop a detailed security plan for each event in collaboration with the Police Department for review and approval. To ensure transparency and safety, if an

incident occurs and/or the Police Department responds to a call connected to the Entertainment Zone, the involved business(es) must submit an incident report to the Police Department within 24 hours.

Participating businesses will also be required to adhere to the requirements of the Operations Manual and their ABC licenses. Failure to comply may result in administrative penalties and/or may jeopardize the ability of businesses to participate in future events.

Downtown Committee Meeting

On April 7, 2026, staff provided an overview of the proposed Entertainment Zone ordinance to the Downtown Committee. Committee members expressed support for the ordinance and offered several suggestions for implementation, including: (1) initiating program evaluation early in the pilot period to allow for proactive adjustments; (2) maintaining ongoing communication with participating businesses throughout the pilot to support successful implementation; and (3) exploring opportunities to expand Entertainment Zone activations to include non-City-led events.

Business Outreach

Staff also conducted outreach to the Mountain View Chamber of Commerce and the Downtown Business Association. Both organizations expressed support for the pilot program and noted the potential economic benefits for local small businesses.

ENVIRONMENTAL REVIEW

Adoption of the proposed ordinance is not subject to the California Environmental Quality Act (CEQA). The proposed ordinance is exempt from CEQA as a Class 4 categorical exemption (“Minor Alterations to Land”), pursuant to Section 15304, subsection (e) of the CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3), because the Entertainment Zone authorized by the proposed ordinance would involve only “[m]inor temporary use of land having negligible or no permanent effects on the environment, including carnivals, sales of Christmas trees, etc.” None of the exceptions to application of a categorical exemption in Section 15300.2 of the CEQA Guidelines apply to the proposed ordinance.

FISCAL IMPACT

There is no immediate fiscal impact associated with establishing the legislative framework for the proposed 18-month Entertainment Zone pilot program. Future activations of the Entertainment Zone are anticipated to occur in conjunction with City-organized events and may involve costs related to event planning, coordination, staffing, and implementation of those events. Any additional funding needs identified during the pilot period will be incorporated into departmental

event budgets and, if necessary, brought forward for Council consideration as part of a future budget process.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information, see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html.

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

General policy and legislative actions

CONCLUSION

The proposed ordinance establishes a regulatory framework for an 18-month pilot Entertainment Zone between the 100 and 500 blocks of Castro Street and certain additional areas surrounding Castro Street that support downtown vitality while prioritizing public safety and operational oversight. By allowing the City to activate the zone, initially focused on City-organized special events, the program provides a flexible tool to enhance community programming, support local businesses, and strengthen Mountain View’s position as a vibrant regional destination. The pilot approach will allow staff to monitor implementation, gather stakeholder feedback, and evaluate economic and operational outcomes before returning to Council with recommendations on the program’s future at the conclusion of the pilot program. Staff will provide an interim update on the pilot, likely in Q1 2027, during which Council may consider expanding the pilot to include events planned by entities other than the City.

ALTERNATIVES

1. Do not approve the ordinance recommended by staff. If the ordinance is not adopted, the Entertainment Zone will not go into effect.
2. Select different boundaries, hours, or pilot duration for the Entertainment Zone.
3. Provide other direction. Any changes to the Entertainment Zone may require further action(s) pursuant to the City Code and/or state law.

PUBLIC NOTICING

The Council’s agenda is advertised on Channel 26, and the agenda and this report appear on the City’s website. All property owners within a 750-foot radius of the Entertainment Zone were notified of this meeting, and public notice of the hearing was published in a newspaper of general circulation. Staff has also notified the Mountain View Chamber of Commerce and Downtown Business Association of the proposed Ordinance.

Prepared by:

Amanda Rotella
Economic Vitality Manager

Approved by:

Christian Murdock
Community Development Director

Audrey D. Seymour
Assistant City Manager

CDD/AR-04-14-26CR

- Attachments: 1. Ordinance
 2. Draft Entertainment Zone Operations Manual