

Community Development Department

DATE: April 7, 2026

TO: Downtown Committee

FROM: Amanda Rotella, Economic Development Strategist

VIA: Christian Murdock, Community Development Director

SUBJECT: Downtown Entertainment Zone Pilot Program

PURPOSE

Provide an overview of the proposed ordinance 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 introduced at the April 14, 2026, Council meeting.

BACKGROUND

In 2024, the California Legislature adopted Senate Bill (SB) 969, 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 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 beverages outside of participating

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

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 the creation of an Entertainment Zone in downtown along Castro Street. The proposal would enable Entertainment Zones 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. 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 during the 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 feasibility. Following the pilot period, staff will return to Council with a summary of findings and recommendations on next steps for the program, including whether to permanently adopt or modify the Entertainment Zone or to allow it to sunset. As required by SB 969, the City must also review and evaluate the operation of designated Entertainment Zones every two years and report findings to ABC.

Activation Limited to City-Organized Events

For the initial pilot program, staff recommends limiting activation of the Entertainment Zone to City-hosted and organized special events. 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. Staff will also develop detailed site maps, traffic control plans, security plans, and alcohol perimeter controls.

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.

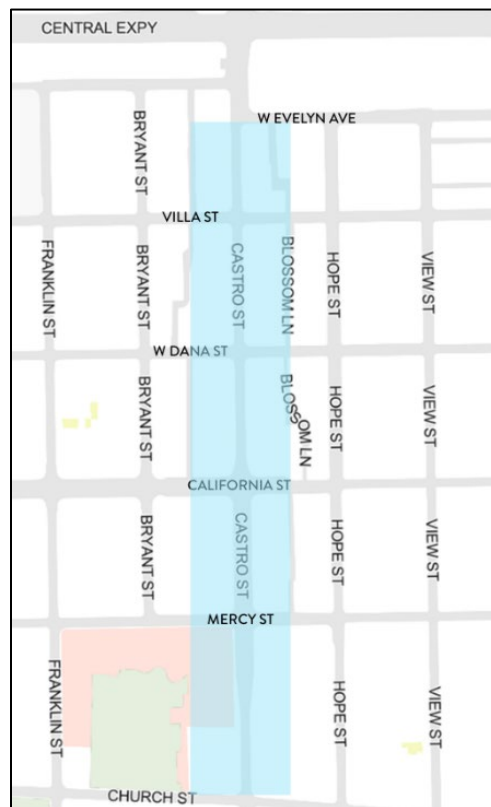


Figure 1: Entertainment Zone Boundary

NEXT STEPS

The ordinance will be introduced at the April 14, 2026, City Council meeting. The second reading is scheduled for April 28, 2026. If approved, the Ordinance will become effective 30 days thereafter on May 28, 2026.