

DRAFT ORDINANCE

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AMENDING ARTICLE X, "SPECIAL EVENTS," OF CHAPTER 14, "LICENSES AND MISCELLANEOUS BUSINESS REGULATIONS," OF THE TOWN OF LOS GATOS TOWN CODE TO ESTABLISH AN ENTERTAINMENT ZONE PURSUANT TO SB 969

WHEREAS, Senate Bill 969 amended California Business and Professions Code Sections 23039.5, 23357, 23358, 23396, 25690, and added Sections 25691 and 26692 to allow individual jurisdictions to adopt ordinances allowing for the establishment of entertainment zones;

WHEREAS, the Town wishes to establish an entertainment zone in which specified alcoholic beverages can be consumed on public streets, sidewalks, or public rights of way;

WHEREAS, any entertainment zone ordinance must be approved by the State of California Department of Alcohol and Beverage Control; and

WHEREAS, the Town proposes to use its Special Event Permit Process for entertainment zones; and

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AS FOLLOWS:

SECTION I. Section 14.100.015, "Definitions," of Article X, "Special Events," of Chapter 14, "Licenses and Miscellaneous Business Regulations," of the Town of Los Gatos Town Code is amended to read as follows:

Sec. 14.100.015. - Definitions.

(a) *ABC*. The State of California, Department of Alcohol Beverage Control.

(b) *Advance promotional activity*. Posting, display, or distribution of signs, banners, leaflets, mailing and publications promoting a future special event.

(c) *Applicant*. A person or organization who seeks a permit to conduct a special event governed by this article.

(d) *Block party*. An outdoor neighborhood gathering coordinated by the residents of that neighborhood that includes the closure of a public right of way within an area zoned for residential use. Block parties may not include the closure of arterial streets and may not be for commercial, for-profit, or advertising purposes.

(e) *Conditions of approval or letter of conditional approval*. Requirements with completion timelines concerning the time, place, scope of the event, required permits from other

government agencies, vendor provisions, payment of applicable fees and deposits, and other provisions, including but not limited, to conditions to protect the safety of persons and property, provide for adequate traffic control, and regulate the sale and service of food and/or alcohol. Such criteria shall be set forth by the Town Manager to the permittee in writing outlining specifics that must be met prior to the final approval for and issuance of the special event permit.

(f) *Entertainment Zone*. A zone as defined in Section 23039.5 of the California Business and Professions Code, in which specified alcoholic beverages may be consumed at the locations set forth in Section 14.100.070.

(g) *Entertainment Zone Event*. An event that occurs within the boundaries of an Entertainment Zone in compliance with ABC regulations, the requirements set forth in this Chapter, and any associated Town Policy governing the activation of an Entertainment Zone.

(h) *Free speech event*. An event, at which the expression of free speech rights is the principal purpose. "Free speech rights" means expressive activity protected by the First Amendment of the United States Constitution or Article 1, Section 2 of the California Constitution.

(i) *Permittee*. Any applicant to whom a special events permit is issued.

(j) *Special event*. Any event, which is scheduled to take place on or contiguous to a Town street, sidewalk, alley or other right-of-way or on Town property including its parks and the grounds of its buildings, which in the judgment of the Town Manager is likely either:

- (1) To obstruct, delay or interfere with the normal flow of pedestrian or vehicular traffic;
or
- (2) To attract participants or spectators who are not likely to comply with traffic laws or controls; or
- (3) To generate a crowd of sufficient size likely to obstruct, delay or interfere with the normal flow of pedestrian or vehicular traffic, or to restrict access to parks, recreation areas or other public areas; or
- (4) To require police regulation, monitoring, or control to maintain public safety.

Examples of special events may include, but are not limited to: athletic events such as runs, walkathons, bicycle races, etc., parades, street fairs, festivals, carnivals, car rallies, farmers markets, sidewalk sales, outdoor music concerts, gatherings of merchants, craftsmen, artists or other sellers of goods for the primary purpose of display and sale to the public of arts, crafts or goods, and Entertainment Zone activations.

(k) *Special event permit*. Written approval issued by the Town Manager for the permittee to conduct the special event as described and conditioned within the conditions of approval. The special event permit is issued after all conditions of approval have been addressed to the satisfaction of the Town Manager.

(l) *Town Manager*. The Town Manager or the Town Manager's designee.

(m) *Vendors*. Entities that are hired or contracted by the permittee to carry out a service associated with the proposed event.

Section II. Section 14.100.035, "Denial," of Article X, "Special Events," of Chapter 14, "Licenses and Miscellaneous Business Regulations," of the Town of Los Gatos Town Code is amended to read as follows:

(a) *Grounds for denial*. Applications for special events permits may be denied for any of the following reasons:

- (1) Information contained in the application or supplemental information requested from the applicant is found to be materially false or misleading.
- (2) The application was incomplete or supplemental information or documents were not provided in a timely manner.
- (3) A permit for another special event at a time and place that would conflict with the proposed event, or cause undue traffic congestion, or create excessive demands for police or other Town services has already been approved.
- (4) The time, route, or size of the event is likely to substantially interrupt the safe and orderly movement of traffic contiguous to the event site or route, or to disrupt the use of a street at a time when it is usually subject to significant traffic congestion.
- (5) The concentration of persons, animals and vehicles at the site or assembly and disbanding area is reasonably likely to prevent proper police, fire or ambulance services to areas contiguous to the event.
- (6) The size of the event is likely to unreasonably compromise normal police protection to the rest of the Town.
- (7) The location of the event is likely to substantially interfere with construction or maintenance work previously scheduled to take place upon or along Town streets, or to interfere with a previously granted encroachment permit.

(8) The special event is likely to occur at a time when a school is in session, at a route or location adjacent to a school, and the noise created by the activities of the event would substantially disrupt the educational activities of the school.

(9) The special event will occur on a route or location adjacent to a hospital or extended care facility and the noise created by the event would substantially disrupt the operation of the hospital or extended care facility or disturb the patients within.

(10) The special event has a prior history of creating conditions that jeopardize the peace and safety of the citizenry.

(11) The applicant has previously violated special event permit conditions.

(12) The applicant refuses to indicate in writing that the applicant will comply with all terms and conditions if the permit.

(13) The scope, intensity, location, type, or size of event deviates from the description provided on the special event application. A new application may be submitted to reflect the deviation so long as the requirements of this Article will be met.

(14) An entertainment zone event is a discretionary permit and may be denied at the discretion of the Town Manager, or designee.

(b) *Limitation on denial of free speech event permits.* In determining whether or not a free speech event permit should be denied, the Town Manager shall resolve all doubts in favor of approval or conditional approval. If the grounds for denial are specified in (a)(3) through (9) of this section, the Town Manager may alter the date, time, place, duration, route, or location of the of free speech event and conditionally approve the application instead of denying it. The conditions imposed shall modify the proposed event only to the extent necessary to avoid the grounds for denial.

Section III. Section 14.100.070, "Entertainment Zone," is added to Article X, "Special Events," of Chapter 14, "Licenses and Miscellaneous Business Regulations," to read as follows:

(a) *Establishment and Regulation.* The purpose of this Section is to implement California Code of Business and Professions Code Sections 25690 through 25692 with the establishment and regulation of an Entertainment Zone within a designated area, to allow the purchase of open container alcoholic beverages from local bars, restaurants, wineries, breweries and on-sale licensees for consumption outside in common spaces such as plazas, public streets, sidewalks or public rights-of-way during certain hours,

subject to a special event permit issued pursuant to this Article.

(b) *Entertainment Zone Requirements.* All commercial entities and organizations sponsoring the Entertainment Zone Event, or selling alcoholic beverages at an Entertainment Zone Event shall comply with all applicable state and local laws and regulations, including:

(1) All applicable ABC license and permitting requirements;

(2) Sections 23357, 23358, 23396 of the California Business and Professions Code, as may be amended from time to time regulating licensed beer manufacturers, licensed winegrowers, and on-sale licensees, respectively;

(3) All other laws governing the sale and consumption of alcoholic beverages, except that laws restricting “off-sale” of alcoholic beverages shall apply; and

(4) All permit requirements for special events issued pursuant to this Article.

(c) Open alcoholic beverages may only be consumed within an Entertainment Zone during an Entertainment Zone Event, subject to any other restrictions imposed by state or local law.

(d) All open alcoholic beverages consumed during an Entertainment Zone Event may only be purchased from a premises located within the Entertainment Zone that is authorized under California Business and Professions Code Section 23357, 23358, or 23396, as may be amended, to permit the consumers to leave the premises with open containers of alcoholic beverages for consumption off the premises, or an organization that is authorized by an ABC license or permit to make such sales within the Entertainment Zone.

(e) Open containers leaving the licensed premises during an approved Entertainment Zone Event may only be in plastic cups or similar non-metal, non-glass containers, as specified in the special event permit.

(f) All participating patrons purchasing beverages to be consumed within the approved Entertainment Zone Event must be easily identifiable as over twenty-one years of age and display a wristband or similar as specified within the special event permit.

following consultation with the Police Department, provide the following information to ABC, pursuant to Section 25690 of the California Business and Professions Code:

- (1) A copy of the ordinance establishing or modifying the Entertainment Zone;
 - (2) Information as may be necessary to identify the boundaries of the Entertainment Zone;
 - (3) The days and hours of operation of the Entertainment Zone;
 - (4) The types of alcoholic beverages permitted within the Entertainment Zone; and
 - (5) The approved plastic or similar non-glass and non-metal containers in which alcoholic beverages may be authorized.
- (j) The Town Manager is authorized to promulgate rules and regulations to implement this Article, and the special events guidelines and policies, copies of which shall be provided to ABC, that shall include the following requirements:
- (1) Establish a process or procedure to readily identify individuals purchasing or consuming alcoholic beverages within the Entertainment Zone as being 21 years of age or older;
 - (2) Any person or organization seeking a special events permit pursuant to this Article shall comply with the insurance requirements applicable to that permit, and all rules and regulations authorized by this Article, Special Events; and
 - (3) Any additional requirements for approved beverage containers, additional restrictions on hours of operation for the Entertainment Zone Event, and other time, place and manner restrictions.
- (k) Any holder of an ABC license or permit that wishes to allow customers to leave the premises with open containers of alcoholic beverages for consumption off the premises during an Entertainment Zone Event shall provide the Town with a copy of the notice provided to ABC under Section 23357, 23358, or 23396 of the California Business and Professions Code, as applicable, at the same time such notice is provided to ABC.
- (l) Biennial review. The Town Manager, or the Town Manager's designee, shall review the operation of any established Entertainment Zone every two years following its adoption to ensure that the Entertainment Zone is being maintained in a manner that protects the health and safety of the general public. This review shall be conducted in consultation with the Los Gatos–Monte Sereno Police Department or other local law enforcement agency with jurisdiction, and any reports produced during the review shall be made available to the California Department of Alcoholic Beverage Control upon request.

SECTION IV. CEQA.

Adopting this Ordinance is not a project subject to CEQA because it can be seen with certainty that it will not impact the environment (CEQA Guidelines Section 15378).

SECTION V. Publication.

The Town Council hereby directs the City Clerk to cause this Ordinance or a summary thereof to be published or posted in accordance with Section 36933 of the Government Code of the State of California.

SECTION VI. Effective Date.

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the 3rd day of February 2026, and adopted by the Town Council of the Town of Los Gatos at its regular meeting on the ____ day of ____ 20 , by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA