

MEMORANDUM

DATE: May 11, 2026

To: Liliana Vidrio Flores, MBA, Cannabis Program Manager
City of Fresno, Office of Cannabis Oversight

FROM: Kyle Simpson, Principal

SUBJECT: Entertainment Zone Ordinance – Common Sense/No Possibility of Effects Exemption

INTRODUCTION

The City of Fresno (City) proposes to establish Entertainment Zones in the city allowing for the purchase and consumption of open container alcoholic beverages subject to issuance of applicable Special Event Permits. This memorandum has been prepared to support the City's determination that the proposed ordinance is exempt from the California Environmental Quality Act (CEQA).

Section 15061(b)(3) of the CEQA Guidelines states that if there is no possibility that a proposed activity would result in a significant effect on the environment, the activity is not subject to CEQA. This memorandum provides a description of the proposed ordinance and describes the basis for the ordinance to be exempt from CEQA.

PROJECT DESCRIPTION

The California State Legislature enacted Senate Bill (SB) 969, effective January 1, 2025, that authorizes cities to establish designated Entertainment Zones where alcoholic beverages purchased from eligible licensed businesses may be consumed in open containers in approved outdoor areas during City-permitted special events.

In response to SB 969, the City proposes to adopt an Entertainment Zone Ordinance to establish and regulate Entertainment Zones to allow for 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 Section 14-2404 of the Fresno Municipal Code (FMC). The proposed Entertainment Zone Ordinance establishes three Entertainment Zones in downtown Fresno in which purchasing open container alcoholic beverages and consuming alcoholic beverages would be allowed. In addition, the proposed Entertainment Zone Ordinance establishes regulations for all activities conducted within the proposed Entertainment Zones pursuant to applicable Special Event Permits.

At this time, the proposed Entertainment Zone Ordinance establishes three Entertainment Zones, however, in the future, the proposed Entertainment Zone Ordinance may be amended to include additional Entertainment Zones throughout the city.

The proposed text of the Entertainment Zone Ordinance is attached to this memorandum.

EXEMPTION FROM CEQA

Section 15061 of the CEQA Guidelines states the following:

15061. Review For Exemption

- (a) Once a lead agency has determined that an activity is a project subject to CEQA, a lead agency shall determine whether the project is exempt from CEQA.*
- (b) A project is exempt from CEQA if:*
 - (1) The project is exempt by statute (see, e.g. Article 18, commencing with Section 15260).*
 - (2) The project is exempt pursuant to a categorical exemption (see Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in Section 15300.2.*
 - (3) The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.*
 - (4) The project will be rejected or disapproved by a public agency. (See Section 15270(b)).*
 - (5) The project is exempt pursuant to the provisions of Article 12.5 of this Chapter.*

[...]

As stated in Section 15061(b)(3), an activity is exempt from CEQA where it can be seen with certainty that there is no possibility that the activity in question would result in a significant effect on the environment. This is referred to as the Common Sense Exemption or the No Possibility of Effects Exemption, as it can be stated with certainty that the proposed activity does not affect the environment.

The adoption of the proposed Entertainment Zone Ordinance would allow for purchasing and consuming open container alcoholic beverages during events that have obtained a Special Event Permit from the City. In addition, the events allowed under the Special Event Permit in which purchasing and consuming open container alcoholic beverages would be allowed and would be required to be located within one of three Entertainment Zones established by the Entertainment

Zone Ordinance. The adoption of the proposed ordinance would not result in direct physical impacts because the proposed ordinance would be limited to allowing for additional activities to occur under a Special Event Permit, and those activities would be limited to the three designated Entertainment Zones. The proposed Entertainment Zone Ordinance may be amended in the future to include additional Entertainment Zones throughout the city. If the proposed Entertainment Zone Ordinance is amended, all future activities would be required to obtain a Special Event Permit, and would be required to meet the requirements of the FMC, including all applicable vehicular and pedestrian traffic laws, noise regulations, and all lawful direction from law enforcement authorities.

CEQA Guidelines section 15382 defines a “significant effect on the environment” as “a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance.” The purpose and expected outcome of the proposed ordinance is intended to allow for specific activities within Entertainment Zones, subject to applicable Special Events Permits and requirements of the FMC. As a result, the adoption of this ordinance would not result in an adverse impact on the environment because no physical changes to the environment would occur.

SUMMARY

On the basis of the explanation provided above, the proposed Entertainment Zone Ordinance is exempt from CEQA because it can be seen with certainty that there is no possibility that the proposed ordinance would result in a significant effect on the environment. As a result, a Notice of Exemption may be prepared for the proposed ordinance.

ATTACHMENT

PROPOSED ENTERTAINMENT ZONE ORDINANCE

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF FRESNO, CALIFORNIA,
ADDING ARTICLE 38 TO CHAPTER 9 AND AMENDING
SECTION 9-2503, OF THE FRESNO MUNICIPAL CODE,
RELATING TO ESTABLISHING ENTERTAINMENT ZONES

WHEREAS, the City of Fresno is committed to supporting a vibrant and economically thriving downtown; and

WHEREAS, there are several City-permitted special events in the downtown area that draw thousands of attendees and contribute to the City of Fresno cultural and economic vitality; and

WHEREAS, current state law prevents breweries, wineries, bars, and restaurants within special event areas from fully participating in these events, which limits their ability to benefit economically from increased attendance; and

WHEREAS, the California State Legislature enacted Senate Bill 969, effective January 1, 2025, authorizing cities to establish designated Entertainment Zones where alcoholic beverages purchased from eligible licensed businesses may be consumed in open containers in approved outdoor areas during City-permitted special events; and

WHEREAS, establishing Entertainment Zones will enhance the success of City-permitted special events, support local business, increase economic activity, and create a community-friendly, lively atmosphere; and

WHEREAS, all legal prerequisites to the adoption of the Ordinance have occurred.

THE COUNCIL OF THE CITY OF FRESNO DOES ORDAIN AS FOLLOWS:

1 of 10

Date Adopted:

Date Approved

Effective Date:

City Attorney Approval: 

Ordinance No.

SECTION 1. Article 38 of Chapter 9 is added to the Fresno Municipal Code to read:

[ARTICLE 38. – ENTERTAINMENT ZONES.

SECTION 9-3800. – ENTERTAINMENT ZONES ORDINANCE.

SECTION 9-3801. – PURPOSE.

The purpose if this article is to implement California State Senate Bill 969 (2024)
– The Alcoholic Beverage Control Act - through the establishment and regulation of
Entertainment Zones 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 Section
14-2404.

SECTION 9-3802 - DEFINITIONS

- a) "ABC" means the California Department of Alcoholic Beverage Control.
- b) "Alcoholic beverage" has the same meaning as set forth in California Business and Professions Code section 23004.
- c) "Entertainment Zone" has the meaning set forth in California Business and Professions Code Section 23039.5. .
- d) "Entertainment Zone event" means an event during which the consumption of one or more types of alcoholic beverages is authorized on public streets, sidewalks, or public rights-of-way within the boundaries of an entertainment zone established in accordance with this chapter.

- e) "Entertainment Zone Lead" means the designated individual responsible for the on-site management and oversight of the Entertainment Zone event.
- f) "Licensee" has the same meaning set forth in California Business and Professions Code section 23009.
- g) "Management plan" means a plan approved by the City Manager or designee for the management and regulation of an Entertainment Zone.
- h) "Open container" means any bottle, can, plastic cup, paper cup, jug, box, or other receptacle that is open or has been opened and contains any alcoholic beverage

SECTION 9-3803. – ENTERTAINMENT ZONE LOCATIONS.

Pursuant to California Business and Professions Code sections 23039.5 and 25690, the city council hereby establishes the following Entertainment Zones, which include adjacent sidewalks, and adjacent premises within the Entertainment Zone area, which include:

a. ENTERTAINMENT ZONE A

Entertainment Zone A will encompass Fulton Street, between the southern edge of Inyo Street and the northern edge of Mono Street., including all public streets, sidewalks, and public rights-of-way within the boundary.

b. ENTERTAINMENT ZONE B

Entertainment Zone B will encompass Fulton Street, between the southern edge of Tulare Street and the northern edge of Mono Street. The zone shall also include Kern Street, east of Homerun Alley to Fulton Street, along with all public streets, sidewalks, and public rights-of-way within the boundary.

c. ENTERTAINMENT ZONE C

Entertainment Zone C will encompass the eastern edge of Fulton Street, between the southern edge of Inyo Street, northern edge of Mono Street, and the eastern edge of Broadway Street, , along with all public streets, sidewalks, and public rights-of-way within the boundary. The zone shall also include the alleyway within these same boundaries, as well as the sidewalk along the east side of Broadway Street, between the southern edge of Inyo Street and the northern edge of Mono Street

SECTION 9-3804. - ENTERTAINMENT ZONES CONTROL.

- a) No person shall conduct an Entertainment Zone event without obtaining a Special Event permit issued in accordance with the provisions of Section 14-2404.
- b) All licensees sponsoring or selling alcoholic beverages within an Entertainment Zone shall comply with all applicable state and local laws and regulations, including, but not limited to, the following:
 - i. All applicable ABC license and permitting requirements.

- ii. All other laws governing the sale and consumption of alcoholic beverages and all permits and licenses issued pursuant thereto.
 - iii. Any applicable Administrative Regulations issued by the City pursuant to this Chapter.
 - iv. Any applicable Special Events permit conditions.
- c) Open alcoholic beverages may be consumed on any public street, avenue, sidewalk, stairway, alley, or thoroughfare within an active Entertainment Zone, subject to any other restrictions imposed by State or local law.
 - d) All open alcoholic beverages shall be purchased only from a premises located within the active Entertainment Zone that is authorized under California Business and Professions Code Section 23357, 23358, or 23396, to permit consumers to leave the premises with open containers of alcoholic beverages for consumption off the premises.
 - e) No alcoholic beverages purchased at a participating licensed premises may leave the premises in an open glass or metal container.
 - f) Delivery of alcoholic beverages to consumers within the Entertainment Zone by a participating licensee or third-party delivery service is prohibited unless the delivery is to a residential building or private business that is not a licensee.

- g) Licensees participating in Entertainment Zones must execute an Indemnity agreement, in a form approved by the City Attorney.
- h) Requires any person seeking a Special Event permit for an Entertainment Zone to maintain insurance at coverage limits and with conditions thereon determined necessary and appropriate from time to time by the City Manager.
- i) All activities conducted pursuant to any Special Event Permit applicable to Entertainment Zones shall remain fully subject to the City's noise regulations unless exempted by approval of City Manager or its designee:
 - i. Compliance with all standards set forth in Section 14 2409(I), with any applicable ordinance, regulation, or law; and
 - ii. If an activity proposed under a Special Event Permit applicable to Entertainment Zones may or will result in a noise level that exceeds the thresholds established in Chapter 10, Article 1 of the Municipal Code, the applicant shall obtain a Noise Permit pursuant to Section 10-110.
 - iii. No exemption from the City's noise ordinances shall be granted under Entertainment Zones unless the City Manager or its designee has determined that the exemption is consistent with the California

Environmental Quality Act (CEQA), including any required environmental review or documentation.

- iv. Failure to obtain any required Noise Permit or to comply with Section 14-2409 shall render the Special Event Permit applicable to Entertainment Zones invalid with respect to the non-compliant activity and may constitute grounds for suspension or revocation of the permit.

SECTION 9-3805. - ENTERTAINMENT ZONES HOURS.

Outdoor consumption of alcoholic beverages may only occur during an Entertainment Zone Event between the hours of 10:00 a.m. and 11:59 p.m., inclusive, subject to any additional limitations imposed by any ABC permit or license, Business and Professions Code section 25691, or by the Special Events permit issued under section 14-2404.

SECTION 9-3806. - IMPLEMENTATION.

- a) Upon the establishment or modification of an Entertainment Zone, the Entertainment Zone lead shall submit a proposed Management Plan to the City Manager or designee for review and approval. Upon issuance or revision of a Management Plan, the City Manager or designee shall transmit a copy to ABC.
- b) 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 within the Entertainment Zone shall provide to the City Manager or designee 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.

- c) Upon the establishment or modification of an Entertainment Zone, the Entertainment Zone lead shall submit a proposed Security Plan to the City for review and approval by the Chief of Police or designee.
- d) The City Manager is authorized to promulgate rules and regulations under this Chapter.

SECTION 9-3807. - ADMINISTRATIVE REGULATIONS.

The City Manager may adopt administrative regulations to implement the provisions of this Chapter, including, but not limited to, application procedures, permit conditions and requirements, and health and safety measures. The City Manager may revise these regulations from time to time as it is deemed appropriate. The Entertainment Zone Management Plan shall be considered enforceable administrative regulation.

SECTION 9-3809. - PERIODIC REVIEW.

Every two years, the City Manager shall review the operation of the Entertainment Zone to ensure that the 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 Police Department and Code Enforcement. The City Manager shall present the findings to the city council and any reports produced during the review shall be made available to ABC upon request.]

SECTION 2. Section 9-2503(a) is Amended to read:

SECTION 9-2503

- (a) No person shall drink any beer, wine or other intoxicating beverage on any street, sidewalk, pedestrian mall, alley, highway, playground, parking lot open to the general public or other lot open to the general public[, unless expressly authorized through a Special Event Permit].

SECTION 3. This ordinance shall become effective and in full force and effect at 12:01 a.m. on the thirty-first day after its final passage.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, AMY K. ALLER, Interim City Clerk of the City of Fresno, certify that the foregoing ordinance was adopted by the Council of the City of Fresno, at a regular meeting held on the _____ day of _____ 2026.

AYES :
NOES :
ABSENT :
ABSTAIN :

Mayor Approval: _____, 2026
Mayor Approval/No Return: _____, 2026
Mayor Veto: _____, 2026
Council Override Vote: _____, 2026

AMY K. ALLER
Interim City Clerk

By: _____ Date
Deputy

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____ Date
Kristi Costa
Supervising Deputy City Attorney