



CITY OF
**PALO
ALTO**

City Council Staff Report

Report Type: CONSENT CALENDAR
Lead Department: City Manager

Meeting Date: June 17, 2024

Report #:2405-3093

TITLE

Adopt a Resolution to Allow Consumption of Alcohol under PAMC section 9.04.010 through December 31, 2024 in Conjunction with the 3rd Thursday Event on California Avenue; CEQA status - categorically exempt.

RECOMMENDATION

Staff recommends that the City Council Adopt a Resolution to Allow Consumption of Alcohol under PAMC section 9.04.010 on California Avenue in Conjunction with the 3rd Thursday Event for a pilot period through December 31, 2024.

BACKGROUND

Following the success of events like the Art and Wine Festival Ave and as proposed by 3rd Thursday, the City Council expressed interest in exploring the opportunities to allow open containers of alcohol (open container) on the car-free street portion of California Avenue during the 3rd Thursday event. Staff has researched options for how this could be implemented and consulted with stakeholders including the State of California's Department of Alcoholic Beverage Control (ABC).

ANALYSIS

Through research and conversations with stakeholders, staff has identified two main options for how Council's interest to allow open containers during 3rd Thursday could be addressed.

- 1) A special event permit (such as that obtained by the Palo Alto Art and Wine Festival)
- 2) A resolution to allow open containers passed by the City Council

At this time, the 3rd Thursday organizers are able to assemble the bands and a themed element for each month but are unable to organize a more structured special event on a monthly basis. A monthly event like the art and wine festival would involve hiring their own security, ID check(s) for wristbands, and other elements necessary for ABC compliance.

The alternative discussed with ABC was a resolution from the City Council to allow open containers during specified dates and times. A resolution to allow open containers on during the 3rd Thursday event (the 3rd Thursday of each month from June 2024 to December 2024) on the car-free street portion of California Avenue from El Camino Real to Birch is attached for Council adoption. The resolution goes into

effect immediately, and would only allow open containers on the days of 3rd Thursday events, only from 4 PM – 10 PM, and only on the car-free street portion of California Avenue from El Camino Real to Birch.

The resolution does not replace any requirements imposed by ABC for the sale of alcohol and all vendors must still comply with the terms of their ABC permits. Through conversation with ABC, they emphasized:

- “Cocktails to go” are only permitted when done so in conjunction with meals. Licensees must actually serve bona fide, legitimate meals to consumers removing alcoholic beverages from the premises under the “cocktails to go” provision. Minimal food service that appears intended to circumvent this requirement are prohibited. This also means that only businesses licensed as restaurants (“bona fide eating places”) may exercise this privilege. Bars (or those licensed as “public premises”) are not authorized.
- Only distilled spirits and wine are authorized under the “cocktails to go” provision. Beer is not authorized to be sold “to go” other than in manufacturer sealed containers.

It should be noted that while the Resolution addresses enforcement of alcoholic beverage consumption within a defined geographic location and timeframe, it does not address alcohol sales or transport. As such, the City will not regulate the source of any alcohol consumed within the defined boundaries.

Staff will monitor the status of this effort through its implementation and will assess any additional program needs or alterations for future discussion with the City Council.

FISCAL/RESOURCE IMPACT

No additional resources are necessary if the resolution is adopted.

STAKEHOLDER ENGAGEMENT

Staff has discussed this with representatives of California’s ABC, businesses along California Avenue, and 3rd Thursday event representatives.

ENVIRONMENTAL REVIEW

This Resolution is categorically exempt under CEQA Guidelines Sections 15301 (existing facilities); 15304(e) (minor temporary use of land having negligible or no permanent effects on the environment); 15305 (minor alterations in land use limitations); and 15323 (normal operations of facilities for public gatherings).

ATTACHMENTS

Attachment A: Resolution Authorizing Consumption of Alcoholic Beverages under PAMC 9.04.010 for Third Thursdays for a Pilot Period

APPROVED BY:

Ed Shikada