



# Information Item

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**Date:** April 14, 2026

**To:** Mayor and City Council  
**From:** Jing Yeo, Community Development Director  
**Subject:** Sixth-Month Entertainment Zone Update

## Introduction

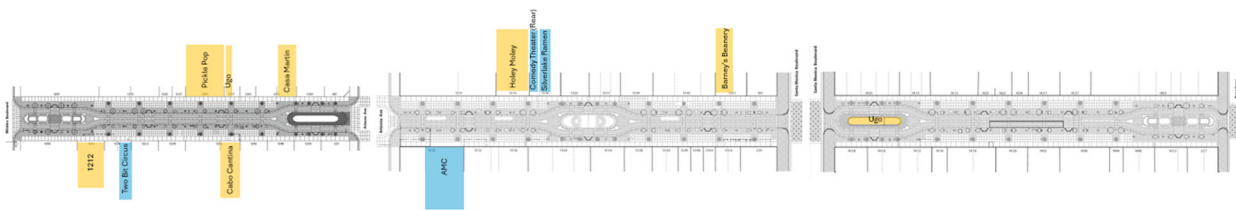
The Entertainment Zone (EZ) on the Third Street Promenade has completed its initial six-month implementation period. Based on a combination of foot-traffic analysis, Police Department input, resident surveys, and qualitative event and business engagement outcomes, the evidence indicates that the EZ has proven to be a valuable tool enhancing existing annual events and enabling new events, provide support to local businesses, re-engaging residents, and signaling Santa Monica's renewed commitment to downtown activation and innovation.

## Background

On May 13, 2025, Council approved an Emergency Ordinance adopting Santa Monica Municipal Code (SMMC) Chapter 6.44, Entertainment Zones, and amending SMMC Section 4.08.200, Drinking Upon Public Property, enabling the establishment of the Third Street Promenade Entertainment Zone – the first in

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southern California! The EZ was activated in June in time for the City's annual Pride on the Promenade event. Of the 12 businesses with alcohol licenses on the Promenade, 8 have executed participation agreements, representing approximately two-thirds of eligible operators. Since June of 2025, the EZ has operated regularly from 11AM to 10PM Friday through Sunday and has been activated by private promoters and Downtown Santa Monica, Inc (DTSM) for special events outside those hours. 22 total events took place between June and December 2025.



- Businesses participating in EZ
- Businesses w/ alcohol license not participating in EZ

Several high-profile events were only possible by allowing local restaurants to sell alcohol to-go, such as Oktoberfest, a Dodger's Pep Rally, World Series Watch Parties, and DJ Events put on by private promoters. Events in the EZ, and the EZ itself, have generated substantial positive media exposure, and created a platform for future activations. Expected upcoming events include Cinco de Mayo as well as more watch parties for World Cup, Olympics, and other popular sporting events.

### Operational Costs

Approximate expenditure on operating the EZ over the last six months has been \$260,000. Most costs are related to labor and security running around \$35,000 for major weekend events. Expanded Ambassador services over the first six months have been approximately \$36,000. Hard costs for signs to advertise EZ rules and

define the boundaries cost approximately \$45,000. Costs incurred for the regular set-up and repair of the boundary signs are expected to be eliminated or reduced with the use of permanent ground graphics at EZ boundaries. Wristbands, provided to every attendee with an alcoholic drink, cost 7 cents each and, even with thousands handed out, are a relatively minor cost.

### **Business & Community Input**

Annual events, not advertised as EZ events, such as Día de los Muertos and the Tree Lighting, saw comparable attendance to the past couple of years. However, overall, EZ events on the Promenade attracted more people than on comparable dates in the past year. Peak attendance at Oktoberfest was more than double what was observed on comparison dates. The World Series Watch Party saw triple the attendance versus comparison dates. The EZ has enabled more and a greater diversity of events to take place which, in turn, has attracted more people through the special events. Surveys of Promenade businesses after events showed an overwhelming majority of food and drink providers found the events to have a positive impact on their business while just under half of retailers found it to be positive. Overall, roughly one-third of businesses said events had a neutral impact while about 15% saw a negative impact. Negative impacts were often tied to visitors being unaware of EZ rules such as not bringing alcoholic beverages into other businesses.

Roughly one-third of residents participating in a survey about the Promenade said the EZ encouraged them to come and a majority believe it is good for the local economy. Nearly 40% planned to attend another EZ activation in the future. These responses from the community show significant interest with two-thirds of those stating they expect to return at least monthly. Community surveys were

distributed through Meta ads, email lists, and shared with City and neighborhood organizations.

While events saw increased or comparable attendance from past years, Promenade foot traffic was lower than comparable weekends during non-event periods in 2024. The reduction in non-event attendance on the Promenade contrasts with the broader downtown area, which saw similar or slightly elevated foot traffic. Although identifying the causes of this divergence is beyond the scope of this memo, what is certain is that events are a key element to driving foot traffic to the Promenade and the greatest strength of the EZ is as a tool to enhance events, whether by creating greater opportunity and flexibility for events such as Oktoberfest or being the impetus for events that would otherwise not have been able to happen, such as the new DJ sets. The success of these events brings people to the Promenade and as shown in resident surveys encourages people to return.

## **Safety**

The Santa Monica Police Department (SMPD) has not documented any significant increase in crime on the Promenade, or the surrounding blocks. Crime levels on the Promenade and surrounding blocks have remained stable or declined across most categories compared with the same period last year. While disorderly conduct violations were up slightly within the EZ, the increase was comparable with an increase seen in the downtown at large. Arrests increased slightly due to increased Police initiated activity, while citizen initiated calls for service are down. The level crime statistics come at a time when there is increased attention on the Promenade from SMPD but before the substation at Santa Monica Place comes online and the Realignment Plan's deployment of additional resources downtown.

SMPD has not objected to an expansion in hours or days of operation but prefers that the boundaries remain limited to the Promenade for the time being.

### **Potential Expansion**

During initial consideration of the EZ, Council directed Staff to explore a 7 day-per-week EZ with hours of 8AM to 2AM and a boundary encompassing downtown from Ocean Avenue to Fourth Street. At that time, the DTSM Board, DTSM staff, and SMPD had security and cost concerns around managing alcohol consumption especially within alleys open to vehicle traffic. With the successful rollout of the EZ there has been renewed interest from Promenade property owners and businesses in expanding the Promenade EZ's hours and days of operations.

### **Conclusion**

In its first six months, the Entertainment Zone demonstrated meaningful value as a tool for activation, flexibility, and partnership. While participating restaurants have praised the EZ and cited increased sales and foot traffic, early data suggests that the program's greatest value lies in amplifying activity and re-establishing the Promenade as more than a retail destination by creating a flexible, event-ready public space. Over the last six months the EZ has:

- Enabled and enhanced high-impact events,
- Supported local businesses and food-and-beverage activity,
- Re-engaged residents,
- Generated substantial positive visibility for Santa Monica, and
- Laid the groundwork for expanded programming and private investment.

As the program matures, continued focus on event programming, communication, and data-driven refinement will further strengthen its impact. Staff will continue to monitor outcomes and return to Council with updates as additional data and

experience are gained.

"It's [The Entertainment Zone] brought noticeable energy back to the area, with increased foot traffic and a clear boost in sales for our business. The Entertainment Zone has made a real difference, not just for us, but for the overall atmosphere and activity along the Promenade. It has even contributed to job creation, as we've been able to bring on additional staff to meet the growing demand."

-Cabo Cantina Management

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