FILE NO. 251103

**REVISED LEGISLATIVE DIGEST**
*(Amended in Committee – January 26, 2026)*

[Planning Code - Alcohol Sales in Movie Theaters]

**Ordinance amending the Planning Code to authorize Movie Theaters that also operate as Bona Fide Eating Places to offer entertainment, cultural, artistic, dramatic, musical, or leisure activities, performances or exhibitions, and permit on-site wine, beer, and/or liquor sales, and make conforming changes in the Planning Code definitions of Bar and Bona Fide Eating Place uses; permitting certain Movie Theaters in the Upper Fillmore Neighborhood Commercial District to sell wine and/or beer without being subject to non-residential use size limits otherwise applicable in the District; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.**

Existing Law

The Planning Code defines Bars to include "drinking establishments serving beer where minors are present (with ABC license types 40 or 60) in conjunction with other uses such as Movie Theaters and General Entertainment, and bars serving wine operated by licensed winegrowers (with ABC license type 02)." This definition limits the kind of alcohol, and the types of ABC licenses permitted, for Movie Theaters to sell beer. No other alcohol types are included in the current definition.

The Planning Code defines Movie Theaters as "[a] Retail Entertainment, Arts and Recreation Use that displays motion pictures, videos, slides, or closed-circuit television pictures." That definition does not include alcohol sales as a principally permitted use.

The Planning Code does not include Movie Theaters in the definition of a Bona Fide Eating Place. Several types of ABC license require the operator to operate a bona fide eating place.

Amendments to Current Law

This ordinance permits the sale of alcohol with an ABC license for on-site consumption by ticket-holding customers as a minor or incidental use of Movie Theaters which are "primarily designed and used for the presentation of films or motion pictures to an audience, and generally involving: (a) one or more auditoriums, (b) seating oriented towards a screen, (c) professional projection equipment, and (d) one or more concession areas". The ordinance removes Movie Theaters from the definition of Bar Use, and defines Bona Fide Eating Place to include Movie Theaters, while exempting Movie Theaters from certain requirements for substantial sales of meals and significant revenue from food and non-alcoholic beverages during the normal hours of operation. The ordinance also permits Movie Theaters to offer entertainment, cultural, artistic, dramatic, musical, or leisure activities, performances, or

exhibitions so long as the premises (i) obtains any necessary authorization from the Entertainment Commission, and (ii) is primarily designed and used for the presentation of films or motion pictures to an audience.

This ordinance also permits certain Movie Theaters in the Upper Fillmore Street Neighborhood Commercial District to make minor and incidental sales of wine and/or beer to ticketed or non-ticketed guests for onsite consumption. Under the ordinance, Movie Theaters in the Upper Fillmore Street Neighborhood Commercial District would be exempt from the non-residential use size limits in Zoning Control Table 718 or in Section 121.2 of the Planning Code

## Background Information

The purpose of this ordinance is to make it easier for small movie theater businesses to continue to serve their local communities and the arts, while requiring Movie Theaters to obtain the appropriate ABC license.

This legislative digest reflects amendments considered by the Planning Commission at its January 15, 2026 hearing. Specifically, on that date, the Planning Commission considered staff recommendations to amend the ordinance to: (1) remove the requirements for fixed seating; (2) apply the proposed provisions allowing additional forms of entertainment and activities in Movie Theaters to all Movie Theaters; (3) remove the reference to a specific type of ABC License from the provisions applicable to affected theaters in the Upper Fillmore Street Neighborhood Commercial District; and (4) allow eligible theaters in the Upper Fillmore Street Neighborhood Commercial District to sell wine and beer to both ticketed and non-ticketed guests.

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