



**Two-Unit Small Lot Ordinance
Zoning Code Amendment
PCTY-25-0007**

**City Council Meeting
January 20, 2026**



Background

- Small Lot Ordinance (SLO) History
 - Established April 1, 2014 as Orange County's first SLO
 - 15-unit subdivisions
 - Development standards have been modified on three occasions
- Senate Bill 9
 - Allows for 2-unit subdivisions in R1 zoning districts



Zoning Code Amendments

- Ministerial pathway for two-unit small lot ordinance projects
- Provide clarification of development standards based on past practices and interpretations
- Reduce processing time, increase housing opportunities, and provide consistency between other residential standards.



Dec. 8, 2025 Planning Commission Review

- Recommended that City Council conduct first reading of the Ordinance (5-2 vote)
- Clerical amendment included in Table 13-29(c)
- Supported the streamlined process and requested that City Council consider reducing fees for ministerial subdivisions
- Concerns that the ministerial process would remove notice to neighbors and would remove public input for two-unit projects

Fee Resolution

- Current fee for typical project is \$7,850.78.
- New fee proposed to be \$2,800.00.



California Environmental Quality Act

The proposed Ordinance is exempt from environmental review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3) (General Rule) in that no increase in density is created, no new land uses are authorized, and no reasonably foreseeable physical change to the environment would occur.

A decorative collage of Costa Mesa landmarks is positioned on the left side of the slide. It includes a top section showing a modern building's curved glass and metal facade, a middle section with a green triangle, and a bottom section featuring a large building with a fountain and palm trees, and a circular building with a dome and palm trees.

Recommendation

- 1) Find that the project is Exempt from the California Environmental Quality Act (CEQA), Section 15061(b)(3) (“General Rule”) based on the findings and conclusions in the staff report;
- 2) Introduce for first reading, by title only, Ordinance No. 2026-XX approving Code Amendment PCTY-25-0007, amending the Zoning Code sections pertaining to two-unit SLO projects; and
- 3) Adopt a resolution establishing a fee for two-unit ministerial SLO projects and reaffirming the same fee for Urban Lot Split projects.



Proposed Ordinance Requiring Staffing at Self-Service Checkout Stations

City Council Meeting
January 20, 2026



Background

- On August 12, 2025, Long Beach City Council adopted an ordinance to mandate staffing requirements at grocery and drug retail stores
- On November 4, 2026, Costa Mesa staff presented a preliminary analysis of the City of Long Beach ordinance and impacts of implementing a similar measure in Costa Mesa
- City Council directed staff to prepare an ordinance based on the City of Long Beach for its consideration

Outreach and Engagement

- Input by United Food and Commercial Workers (UFCW)
 - State legislation and local efforts are modeled on pandemic hazard pay measures
 - Require staffed checkout during all hours
 - Store policies divert employees from assisting customers
 - Language barriers or machine errors result in negative customer experience with complaints directed to employees
 - Retail theft is underreported
- Concerns from Grocers & Retailers
 - Effectively a ban on self-checkout
 - Self-checkout is addressed in collective bargaining agreements and state legislation is pending with UFCW included in discussions
 - No substantial theft
 - Need to provide consumers options

Initial Findings

- City of Long Beach- 4 months observations
 - Stores and customer frustration
 - No increase in staffing observed by city staff
 - Longer lines observed during holidays
 - Prohibiting locked goods and enforcing the 15 items or less limit has created confusion
 - Fines and costs from private right of action are substantial concerns for stores

Proposed Costa Mesa Ordinance

- Key Highlights:
 - Applies to food retail establishments over 15,000 square feet and to all drug retail establishments
 - Requires staffing of one employee per three stations (1:3)
 - Limits self-checkout to 15 items or less
 - Prohibits self-checkout for items locked or with theft-deterrent measures
 - Private right of action
- Alternative compliance through use of design elements and staffing:
 - Separated and secured by barriers
 - Placed away from exits
 - Dedicate staff in self-checkout areas

Enforcement & Penalties

- Provides for civil action by employees or customers
- Signage required
- Notification to stores
- Seven days to cure
- Penalties
 - \$100 per Violation Increasing by \$100 Per Day (\$1,000 max per employee)
 - Attorney's Fees and Costs

Costa Mesa Stores

Drug Retail			
Store	Street	Self-Checkout Stations	Employees
Target	3030 Harbor Blvd.	10 (6 +4)	1
Target	289 E. 17th St.	6	1
CVS	2701 Harbor Blvd.	2	1
CVS	175 E. 17 th Street	2	1
CVS	1150 Baker St.	2	1
CVS	1835 Newport Blvd.	0	N/A
Walgreens	1726 Superior Ave.	0	N/A

Food Retail			
Store	Street	Self-Checkout Stations	Employees
Northgate	2300 Harbor Blvd.	9	1
Vons	2701 Harbor Blvd.	8	1
Ralphs	380 E. 17 th St.	5	1
Smart & Final	707 W 19 th St.	5	1
Vons	E 17 th Street	4	1
Sprouts	3030 Harbor Blvd.	4	1
Stater Brothers	1175 Baker	0	N/A
Stater Brothers	2180 Newport Blvd.	0	N/A
Sprouts	225 E. 17 th Street	0	N/A
Trader Joes	640 W. 17 th Street	0	N/A
Trader Joes	2170 Harbor Blvd	0	N/A
Mothers Market	1890 Newport Blvd.	0	N/A
Tokyo Central	2975 Harbor Blvd.	0	N/A
Wild Fork	495 E. 17 th St.	0	N/A
Mitsuwa	665 Paularino Ave.	0	N/A

Economic Impacts

- Shopping in Dollars: In or Out: Retail Spending Report
- This chart illustrates residents shopping locally in Costa Mesa or elsewhere highlighting retail gaps, strengths and opportunities.



Economic Impacts cont.

- Buxton Retail Leakage Report shows Costa Mesa with a retail surplus in most store types
- However, a 60% shortfall in General Merchandise is largely due to lack of a warehouse club store, and the limited number of superstores or department stores

Store Type	Potential	Estimated Sales	Surplus/Leakage
Total Motor vehicle and parts dealers	567,543,012	1,201,158,758	2.1
Total Furniture and home furnishings stores	81,844,352	173,732,357	2.1
Total Electronics and appliance stores	36,208,432	35,707,830	1.0
Total Building material and garden equipment and supplies dealers	327,157,879	426,298,323	1.3
Total Food and beverage stores	683,364,816	851,872,132	1.2
Total Health and personal care stores	134,813,798	159,295,354	1.2
Total Clothing and clothing accessories stores	214,992,505	816,139,873	3.8
Total Sporting goods, hobby, musical instrument, and book stores	85,090,723	101,763,737	1.2
Total General merchandise stores	310,095,729	117,842,088	0.4
Total Miscellaneous store retailers	76,892,196	104,583,641	1.4
Total Food services and drinking places	388,285,240	735,663,288	1.9
Total	2,906,288,682	4,724,057,381	1.6

9

Alternatives

The City Council may:

1. Take no action on the proposed ordinance and direct staff to support state legislation applying reasonable standards to stores in all cities
2. Direct staff to amend the proposed ordinance to align with pending state legislation and existing collective bargaining agreements that require a Non-Self Service Checkout station always be open and one staff person be dedicated per bank of self-checkout machines
3. Receive and file this report

Recommendations

1. Receive public comment and consider the provisions of the draft ordinance
2. Introduce and give first reading, waiving further reading, to Ordinance No. 2026-XX Adding Article 7 of Chapter II of Title 9 to the Costa Mesa Municipal Code relating to Grocery and Drug Store Staffing Standards for Self-Service Checkout Stations

Award of Contract for the Shalimar Park Improvement Project

City Project No. 25-06

City Council Meeting
January 20, 2026



History and Park Amenities

- Shalimar Park is located at 782 Shalimar Drive, Costa Mesa.
- The park was dedicated in 1999 and currently features an aging playground, trees, seating area, and benches.
- The proposed improvements will expand the park area, and enhance the playground equipment, play area, landscaping, irrigation, lighting, and supporting facilities.



Preliminary Design and Consultant Selection

- City contracted in 2023 with Pat West, LLC and City Fabrick to conduct community outreach meetings.
- Preliminary design options and renderings were discussed with the Parks and Community Services Commission on August 10, 2023.
- City staff conducted a Request for Proposals to provide design services
 - On January 16, 2024, City Council awarded Community Works Design Group as the consultant.



Shalimar Park Improvement Project

- Initial Community Engagement – June 22, 2023
 - Pat West, LLC
 - City Fabrick
- Community Workshop - May 17, 2024
- Outreach and Engagement
 - Project Website
 - Neighborhood Canvassing
 - Community Partners
 - Social Media
 - E-notifications & Newsletters
 - Local Schools
 - Nearby Businesses
 - Park Posting
 - Surveys



Project Information

- Bid Opening on October 27, 2025
- *Contractor: *Micon Construction, Inc.*
- Contract Amount: \$1,296,650
- Funded through
 - State Grant Fund from then State Senator David Min
 - Capital Improvement Fund

**Two bidders: ACC Engineering, LLC and Earthscapes Landscape, Inc. were deemed to be non-responsive.*

Project Timeline

- Adjacent building demolition

- Public Bid Opening – 10/03/2025 [COMPLETED]
- City Manager Award – 11/06/2025 [COMPLETED]
- Tentative Demolition Timeline – February to March 2026
- Demolition Closeout – April 2026

- Park construction timeline

- Public Bid Opening – 10/27/2025 [COMPLETED]
- City Council Award – 01/20/2026 [PENDING]
- Tentative Construction Timeline – March to September 2026
- Maintenance Period – 90 days
- City Council Acceptance – November 2026

Next Steps

- Community outreach plan regarding construction undertaken by City staff
- Supplemental recreation programming:
 - Targeted Outreach: Door-to-door engagement, app communication with parents, and on-site staff program sign-ups.
 - Existing Program Offerings:
 - BeFit Basketball (Elementary)
 - Teen Center Programming (6th–8th grade)
 - New Program Offerings:
 - Weekly neighborhood sports games and challenges
 - “City Government in Action” youth program
 - Transportation & Access: Shuttle service provided for off-site programs
- Next phase of community outreach on Shalimar Park Phase 2 to be coordinated by City staff and consultants.

Project Information

- Make a finding of California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA Guidelines section 15301.
- Adopt plans, specifications, and working details for the Shalimar Park Improvement Project, City Project No. 25-06.
- Reject the bids submitted by ACC & Engineering, LLC and Earthscapes Landscape, Inc. as non-responsive.
- Award a Public Works Agreement (PWA) for construction to the second lowest bidder, Micon Construction, Inc., in the amount of \$1,296,650 and authorize a ten percent (10%) contingency in the amount of \$129,665 for unforeseen costs related to this project.
- Authorize the City Manager and the City Clerk to execute the PWA with Micon Construction, Inc., and future amendments to the agreement within Council authorized limits.





Authorization to Appropriate Opioid Settlement Funds

City Council Meeting
January 20, 2026



Background

2021 National Settlements

- Opioids litigation brought by states and local political subdivisions against:
 - “Distributors” - McKesson, Cardinal Health, and AmerisourceBergen
 - “Manufacturer” - Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, “J&J”)
- Defendants ordered to pay up to \$26 billion, with the City’s allocation projected at **\$1,839,900.90 over 15 years.**

Background cont.

2022 National Settlements

- Opioids litigation brought by states and local political subdivisions against:
 - “Pharmacies” - CVS, Walgreens, and Walmart
 - “Manufacturers” - Allergan and Teva
- Defendants ordered to pay up to \$18.52 billion over 15 years, with the City’s allocation projected at **\$2,780,265.07 over 15 years.**

Settlement Funds

2021 & 2022 National Settlements

Total Projected Opioid Settlement Funds	\$4,620,165.97
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85% set-aside for direct services	\$3,927,141.07
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Funding received/available	\$1,185,590.12
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Remaining balance	\$2,741,550.95
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15% set-aside for legal fees	\$693,024.90
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Outstanding legal fees	\$167,137.19
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Remaining Balance	\$525,887.71
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Expenditure Guidelines

50% of funds must:

- Support Behavioral Health Continuum Infrastructure Program (BHCIP) facilities
- Create new or expanded substance use disorder (SUD) treatment infrastructure.
- **Address the needs of populations disproportionately impacted by SUD, including sheltered and unsheltered people experiencing homelessness.**
- Divert people with SUD from the justice system into treatment
- Implement interventions to prevent drug addiction in vulnerable youth.

Approved Uses

Opioid Remediation Strategies:

- Naloxone or other FDA-approved drug to reverse opioid overdose
- Opioid-related treatment
- Expanding services to pregnant/post-partum women
- **Expansion of warm hand-off programs and recovery services, including:**
 - **emergency shelter, access to recovery/specialty housing, transportation, education, job training, case management, and connections to community-based services.**
- Treatment for incarcerated population
- Prevention programs
- Syringe service programs

Recommendations

Staff recommends the City Council authorize the appropriation of past and future Opioid Settlement Funds to subsidize eligible expenses including legal fees and opioid remediation services for people experiencing homelessness.



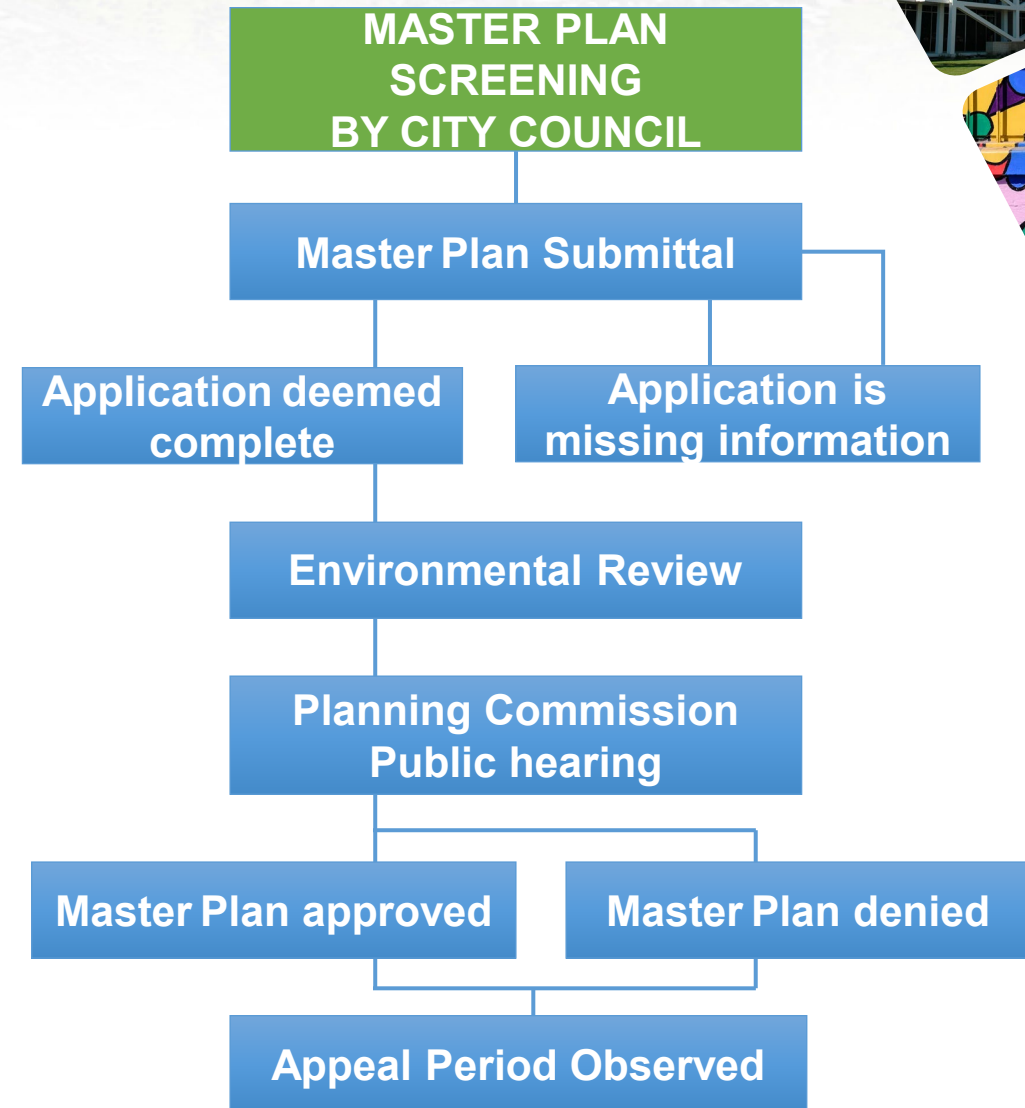
Urban Plan Master Plan Screening
1626 Placentia Avenue (PSCR-25-0001)

City Council Meeting
January 20, 2026



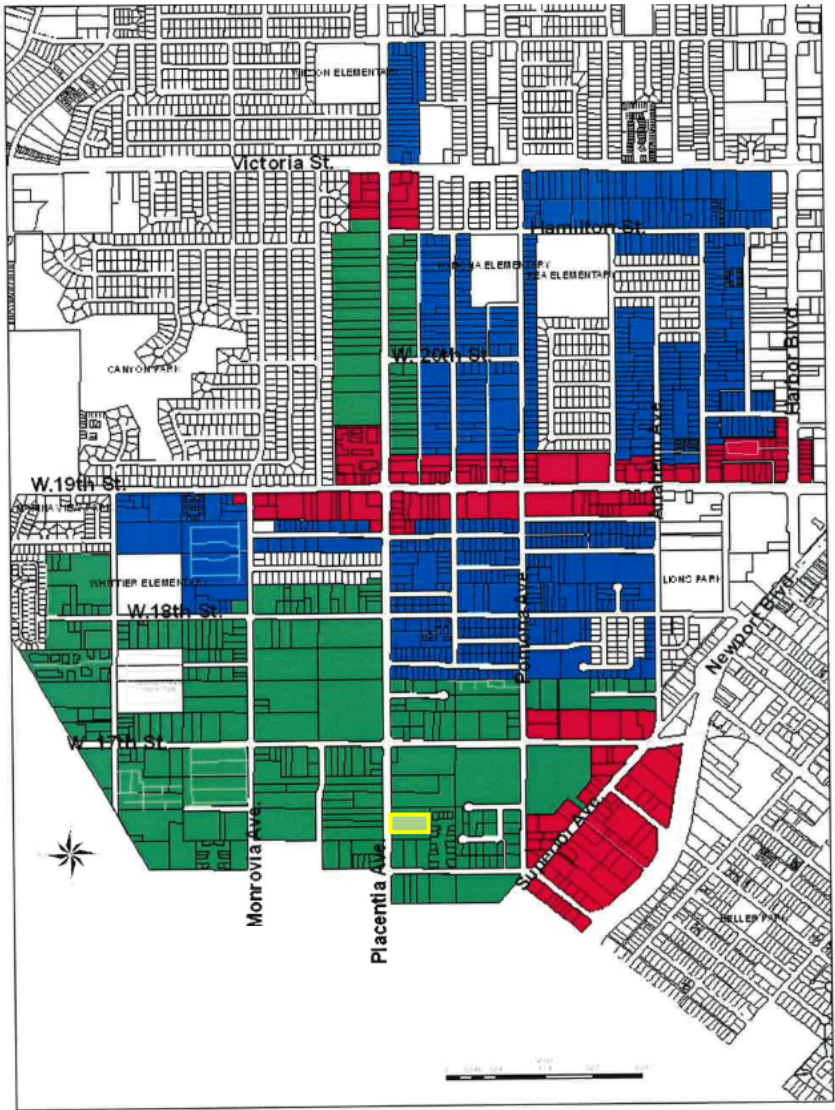
Background

- Urban Plan adopted on April 4, 2006.
- Intend to provide property owners additional incentives to reinvest and redevelop properties.
- Promotes residential uses within existing development capacity.
- City Council screening is the first step.



Mesa West Bluffs Urban Plan

WESTSIDE URBAN PLAN AREAS



LEGEND

- Mesa West Bluffs
- 19 West
- Residential Ownership

Master Plan Screening by City Council

- Solicit City Council comments on the overall merits and appropriateness of a project concept prior to the filing of formal entitlement applications.
- Advisory only and does not constitute project approval.
- Planning Commission is the final review authority.

Project Site

- 1626 Placentia Avenue
- 1.4 acres
- Light Industrial Land Use and General Industrial Zoning
- Adjacent to various automotive, storage, contracting, fitness, and service uses

Neighborhood Use	Walk Distance	Approximate Walk
Newport Heights Elementary School	1.0 miles	23-minute walk
Ensign Middle School	1.9 miles	44-minute walk
Newport Harbor High School	1.4 miles	33-minute walk
Wilson Coffee / Eller Bakery	0.3 miles	6-minute walk
Lions Park	1.0 miles	22-minute walk
Heller Park	1.0 miles	22-minute walk
Trader Joe's Grocery Store	0.6 miles	15-minute walk
American Gym	0.1 miles	1-minute walk
Beach	1.3 miles	32-minute walk



Proposed Project

- 34 units including 16 Live/Work Units and 18 Residential Loft Units
- Two very low-income units
- Two-car garages and 12 open parking spaces
- Approximately 200 square feet of private open space



Project Merits

- Meets objectives of the Urban Plan by promoting urban housing
- Consistent with objectives of the General Plan, Zoning Code, and Urban Plan
- 34 additional ownership residential units include two very low-income units



Further Considerations

- Lack of residential amenities
- Project is adjacent to various industrial uses
- Project is not near public parks and schools
- Further opportunities for additional private open space including roof decks



Entitlement Process

- Project Plan Review Submittal
- Planning Commission to review:
 - Master Plan
 - Density Bonus
 - Tentative Parcel Map





Recommendation

Discuss the screening application and provide preliminary feedback to staff and the applicant.





**COMPENSATION, CLASSIFICATION
& STAFFING UPDATES
CMCEA, CMDMA, UNREPRESENTED EMPLOYEES**

**September 16, 2025
City Council Meeting**



Background

- Negotiations with CMDMA were completed and new City Council Resolutions were approved by the City Council in 2024 for CMDMA and unrepresented employees in the Confidential Management and Executive Groups.
- Negotiations with CMCEA were completed and a Letter of Agreement was approved by the City Council on June 17, 2025 and the pending MOU is scheduled to expire on June 30, 2026.
- The MOU/Agreement includes language stating that the parties can agree to update language that is outdated or needs modification or clarification.
- The Human Resources Division collaborated with Department management and employee groups to recommend additional classification, compensation and staffing adjustments for CMCEA, CMDMA and unrepresented classifications based on previously negotiated provisions and to support organizational needs.

MOU Updates – Special Compensation

- **Government Code Section 20636** defines “compensation earnable” for CalPERS “Classic Members” as the pay rate and special compensation of the member.
- **Government Code Section 7522.34** and California Code of Regulations defines “pensionable compensation” for CalPERS “New Members”
- **CCR Section 571** requires all items of special compensation be contained in a written labor policy and include the conditions of payment and cannot be referenced in another document
- Some examples of special compensation include:
 - Bilingual Pay
 - Certification/Education Pay
 - Holiday Pay
 - Special Assignment Pay

MOU Updates

- The new MOU for CMCEA includes:
 - Language updates for special compensation items for compliance with the Public Employees' Retirement Law, Public Employees' Pension Reform Act of 2013, California Government code and Title 2 of the California Code of Regulations.
 - Incorporation of negotiated provisions per previous Side Letters and the current the Letter of Agreement for CMCEA.
 - General language updates for provisions that may have been outdated, needed modification, or for consistency amongst groups with agreement from the association.

Resolution Updates

- The new resolution for CMDMA and unrepresented employees includes:
 - Language updates for applicable special compensation items for compliance with the Public Employees' Retirement Law, Public Employees' Pension Reform Act of 2013, California Government code and Title 2 of the California Code of Regulations
 - General language updates for provisions that may have been outdated, needed modification or clarification, or for consistency amongst groups.

CMCEA Compensation & Classification Updates

- The CMCEA MOU contains a provision for CMCEA to request up to five classification studies each year.
- For 2024, CMCEA requested classification studies for the following classifications:
 - Community Services Specialist (Police Department)
 - Property & Evidence Specialist (Police Department)
 - Maintenance Worker in (Parks & Community Services Department)
- Due to the complexity of the studies, the City retained Gallagher Consulting to conduct the classification studies for the Police classifications.
- Based on the recommendations of the consultant and after extensive discussions with department management and the association, classification and compensation updates were recommended as follows:

CMCEA Recommended Updates

Current Classification	Recommendation
Community Services Specialist (Police Department)	Expansion into a series (Community Services Specialist): <ul style="list-style-type: none">• Community Services Specialist (existing classification)• Senior Community Services Specialist (new classification – 6.2% increase)• Lead Community Services Specialist (new classification – 6.2% above Sr) Expansion into a series (Civilian Investigator): <ul style="list-style-type: none">• Civilian Investigator (new classification – 6.2% increase)• Senior Civilian Investigator (retitle existing classification)
Property & Evidence Specialist (Police Department)	Expansion into a series <ul style="list-style-type: none">• Property & Evidence Specialist (existing classification)• Senior Property & Evidence Specialist (new classification – 7.5% increase)
Maintenance Worker/ Sr. Maintenance Worker (Parks & Com Services)	Creation of specialized classification <ul style="list-style-type: none">• Senior Fairview Park Maintenance Technician (new classification – 5% increase)
Community Outreach Supervisor (City Manager Department)	Compensation adjustment to address compaction with subordinate position (22.4% increase)

CMDMA Compensation & Classification Updates

- As part of the 2024 negotiations, the City agreed to conduct a market analysis study in 2025 for various classifications. Based on the market analysis study and a review of internal alignment, the following adjustments are recommended:
 - Neighborhood Improvement Manager – 21.0%
 - Recreation Manager – 11.43%
 - Public Affairs Manager – 5.25%
- A 4.09% adjustment for the Assistant Development Services Director classification is also recommended to address a compaction issue with a subordinate classification.
- The following title changes are also recommended based on a discussion with department management and the association:
 - Community Improvement Manager to Code Enforcement Manager
 - Planning and Sustainable Development Manager to Planning Manager
 - Telecommunications Manager to Emergency Communications Manager

Executive Updates

- The following compensation updates are recommended for the Public Safety executive employees to address compaction issues with the Police Captain position and to address internal alignment:
 - Base salary adjustment:
 - 6% increase for Deputy Police Chief and Assistant Fire Chief
 - 2% increase for Police Chief and Fire Chief
 - Longevity (Recruitment and Retention Incentive Pay):
 - 2.5% increase for Deputy Police Chief and Assistant Fire Chief
 - 12.5% incentive for Police Chief and Fire Chief (new benefit)
- The new Executive Resolution also includes the applicable provisions of the City Manager's recently approved contract.

Additional Compensation Updates

- The City is recommending additional adjustments to the following unrepresented classifications:
 - Reserve Senior Public Safety Dispatcher: 2% salary adjustment effective 7/1/25, 1/1/26 and 4/1/26 (consistent with CMCEA) to maintain alignment within the Dispatcher classification series.
 - Video Production Aide: Align salary with the Intern classification to \$23.00 - \$27.96 per hour. This classification has not had a salary adjustment since 2019 other than the application of minimum wage (currently \$16.50 per hour)
 - Police Recruit: Amend the Police Recruitment resolution to reflect the new pay rate for Police Recruit which was increased as a result of the CMPA's contract negotiations. This item is administrative only to comply with CalPERS.
- The City Clerk's Division is requesting to convert two part-time Concierge Office Specialists to one full-time Office Specialist II (Confidential) position to assist with retention in area.

Fiscal Impact

Unit / Classification	Fiscal Impact
CMCEA <i>Community Services Specialist</i> <i>Property & Evidence Technician</i> <i>Maintenance/Senior Worker</i> <i>Community Outreach Supervisor</i>	\$174,850 per fiscal year \$67,341 one-time retroactive amount \$242,191 total estimated impact for FY 2025/26* <i>*Included in 2025/2026 budget</i>
CMDMA <i>Neighborhood Improvement Manager</i> <i>Recreation Manager</i> <i>Public Affairs Manager</i>	\$119,794 per fiscal year
Executive <i>Police Chief, Fire Chief</i> <i>Deputy Police Chief, Assistant Fire Chief</i>	\$226,731 per fiscal year
Part-Time <i>Video Production Aide</i> <i>Reserve Senior Public Safety Dispatcher</i>	\$41,322 per fiscal year
Confidential Unit <i>City Clerk Office Specialist II</i>	\$51,552 per fiscal year
TOTAL	\$439,399 fiscal impact balance

A decorative collage of three images is positioned on the left side of the slide. The top image shows a modern building with a large, curved glass and metal structure. The middle image shows a large, modern building with a curved facade and a palm tree in the foreground. The bottom image shows a building at night with a prominent dome and illuminated signs, including one that says 'TRIANGLE restaurants & entertainment'.

Recommendation

- Adopt the new Memorandum of Understanding for CMCEA
- Adopt City Council Salary and Benefit Resolutions for CMCEA, CMDMA and unrepresented confidential, part-time and executive employees establishing new classifications, updating salary and benefits and updating language for consistency and compliance with CalPERS .
- Approve conversion of two PT Office Specialist II to one FT Office Specialist II position in the City Clerk's Division.
- This item supports the City Council's Plan goals to Recruit and Retain High Quality Employees and Strengthen the Public's Safety and Improve the Quality of Life.

ORDINANCE NO. ORD-25-0010

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AMENDING THE LONG BEACH
MUNICIPAL CODE BY ADDING CHAPTER 5.93, RELATING
TO ESTABLISHING STAFFING REQUIREMENTS FOR
SELF-SERVICE CHECKOUT STATIONS AT GROCERY
AND DRUG STORES TO ADVANCE PUBLIC SAFETY AND
PREVENT RETAIL THEFT

WHEREAS, the City of Long Beach has prioritized strategies and
partnerships to help prevent grocery and drug retail theft and deter individuals responsible
for it;

WHEREAS, in 2025, city leaders launched a series of community
roundtables to bring together public safety officials, employees, and business stakeholders
to identify solutions that help address the impacts of retail theft;

WHEREAS, on March 12, 2025, at a Retail Theft Roundtable hosted by
Mayor Richardson, Councilmember Zendejas, and Councilmember Thrash-Ntuk, retail
workers from grocery and drug retail establishments throughout Long Beach shared
personal experiences about the chronic understaffing of self-checkout (SCO) stations
operations in their stores, the frequency of theft that occurs through SCO stations, and the
associated increases in harassment, violence, and intimidation they have encountered due
to understaffing of SCO operations;

WHEREAS, on April 1, 2025, City Council requested the City Manager to
evaluate options for establishing labor standards and requirements related to staffing SCO
operations in grocery stores and drug stores, in an effort to address grocery and drug retail
theft and advance public safety and welfare. The City Council letter and comments made
by members of the public during the City Council meeting included first-hand testimony

1 detailing the existing public health and safety concerns resulting from the understaffing of
2 SCO operations in grocery and drug stores;

3 WHEREAS, statistical data presented in the council letter identified a
4 dramatic increase in theft in the State of California across its retail businesses, both in
5 highly visible incidents such as "smash and grab" incidents, as well as subtler yet pervasive
6 forms of shoplifting including thefts involving abuse or manipulation of self-checkout retail
7 operations. For example, in 2022, California retail stores and small businesses lost nearly
8 \$9 billion as a result of theft. Based on surveys of California retail businesses that have
9 introduced robust SCO systems, estimates indicate that SCO operations account for
10 between twenty and twenty-five percent of those retailers' losses underscoring the high
11 frequency at which retail theft occurs in such operations;

12 WHEREAS, the high frequency of theft incidents in SCO operations was
13 shown to pose a threat to the public's safety and undermine the community's welfare and
14 sense of security. Specifically, based on public testimony, incidents like these were shown
15 to create hostile workplace conditions for employees, and unsafe shopping environments
16 for customers; and

17 WHEREAS, the public meetings held by the Long Beach City Council on
18 April 1, 2025, and June 17, 2025, solicited comments and testimony from a wide range of
19 stakeholders, including representatives from the grocery and drug retail industry, as well
20 as a large number of workers employed at local grocery and drug store establishments.
21 This public testimony highlighted the need for regulation of SCO operations to better
22 address the issue of retail theft in grocery and drug stores and the unsafe work
23 environments for employees and customers associated with these operations. The
24 statistical data around retail theft in California along with the testimony presented before
25 the City Council affirmed the need and urgency to develop targeted public policy tools to
26 disrupt and prevent retail theft in Long Beach grocery and drug store establishments.

27 NOW, THEREFORE, the City Council of the City of Long Beach ordains as
28 follows:

1 Section 1. The Long Beach Municipal Code is amended by adding
2 Chapter 5.93 to read as follows:

3 CHAPTER 5.93

4 GROCERY AND DRUG STORE STAFFING STANDARDS FOR SELF-SERVICE
5 CHECKOUT STATIONS

6 5.93.010 Purpose.

7 It is in the public's interest to require grocery and drug stores to adopt effective
8 preventative measures that will address the impacts on public health and safety that retail
9 theft creates within the context of self-service checkout operations where theft commonly
10 occurs but remains largely unchecked and underreported. Regulating the staffing of self-
11 service checkout operations will address the hostile and unsafe working conditions for
12 employees, and unsafe shopping environments for customers.

13 5.93.020 Short Title.

14 This ordinance shall constitute the "Self-Service Checkout Staffing Requirements."

15 5.93.030 Definitions.

16 For the purpose of this Ordinance:

17 "City" means the City of Long Beach.

18 "Customer" means an individual who buys consumer goods from a Drug Retail
19 Establishment or Food Retail Establishment.

20 "Drug Retail Establishment" means a retail store that sells a variety of prescription
21 and nonprescription medicines and miscellaneous items, including drugs,
22 pharmaceuticals, sundries, fresh produce, meats, poultry, fish, deli products, dairy
23 products, canned foods, dry foods, beverages, prepared foods, and other merchandise.

24 "Employee" means a worker employed directly by a hiring entity at a Drug Retail
25 Establishment or Food Retail Establishment. Employee does not include managers,
26 supervisors or confidential employees.

27 "Food Retail Establishment" means a retail store that is either: (1) over fifteen thousand
28 (15,000) square feet in size and sells primarily household foodstuff for offsite including

1 fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods,
2 beverages, baked foods and/or prepared foods (other household supplies or products are
3 secondary to the primary purpose of food sales); or (2) over eighty-five thousand (85,000)
4 square feet and with ten percent (10%) of their sales floor area dedicated to the sale of
5 non-taxable merchandise including the sale of fresh produce, meats, poultry, fish, deli
6 products, dairy products, canned foods, dry foods, beverages, baked foods and/or
7 prepared foods.

8 "Non-Self-Service Checkout station" means a station that is not a Self-Service
9 Checkout and at which an employee provides human assistance to a customer for
10 scanning, bagging, and/or accepting payment for the customer's purchases.

11 "Self-Service Checkout" means the automated processes that enable customers to
12 scan, bag, and pay for their purchases without human assistance, including but not limited
13 to fixed self-checkout, scan-and-go self-checkout, or mobile self-checkout.

14 "Self-Service Checkout station" means a station at a fixed location within a Drug
15 Retail Establishment or Food Retail Establishment at which a customer can engage in a
16 Self-Service Checkout for the customer's purchases.

17 5.93.040 Self-Service Checkout requirement.

18 A. Drug Retail Establishments and Food Retail Establishments that
19 provide Self-Service Checkout options shall provide at least one Non-Self-Service
20 Checkout station staffed by an Employee that is available during the times that a Self-
21 Service Checkout option is available to customers, and Drug Retail Establishments and
22 Food Retail Establishments shall establish, implement, and advertise limits to Self-Service
23 Checkout to purchases of no more than fifteen (15) items.

24 B. Drug Retail Establishments and Food Retail Establishments shall
25 have an established workforce policy that prohibits customers from using a Self-Service
26 Checkout station to purchase either of the following:

- 27 1. Items that require customers to provide a form of identification,
28 including, but not limited to, alcohol and tobacco products.

1 2. Items subject to special theft-deterrent measures that are affixed
2 to the item, including, but not limited to, electronic article
3 surveillance, ink, or other tags, or items placed in locked cabinets,
4 that require the intervention of an Employee to remove them before
5 purchase.

6 C. Drug Retail Establishments and Food Retail Establishments shall
7 notify the public of this Ordinance by prominently posting signage in a location accessible
8 to customers, which includes either a link or QR code to the City of Long Beach website
9 regarding this Ordinance, a summary of the public's rights under this Ordinance, and
10 enforcement options available to the public.

11 D. Self-Service Checkout stations shall be located to enable observation
12 and surveillance from both employees of Drug Retail Establishments and Food Retail
13 Establishments and local law enforcement.

14 5.93.050 Self-Service Checkout staffing requirement.

15 A. Drug Retail Establishments and Food Retail Establishments that
16 provide Self-Service Checkout options shall assign at least one (1) Employee to supervise
17 the Self-Service Checkout operation at all times that Self-Service Checkout is in operation
18 during business hours. The assigned Employee shall have no other work responsibilities
19 that would interfere with their ability to maintain direct visual inspection and surveillance of
20 the Self-Service Checkout operations.

21 B. In the event a Drug Retail Establishment or Food Retail Establishment
22 operates two (2) or more Self-Service Checkout stations, the Drug Retail Establishment or
23 Food Retail Establishment shall maintain a staffing ratio of at least one (1) Employee for
24 every three (3) Self-Service Checkout Stations (1:3 ratio). The manner in which this
25 standard is implemented may take into account operational and logistical feasibility.

26 5.93.060 Enforcement.

27 A. Any Customer or Employee of a Drug Retail Establishment or Food
28 Retail Establishment may bring a private right of action in the Superior Court of the State

1 of California against a Drug Retail Establishment or Food Retail Establishment for violating
2 this Chapter and, upon prevailing, may be awarded:

3 1. A civil penalty for each violation of this Chapter of one hundred
4 dollars (\$100) for each employee of the Drug Retail Establishment or Food Retail
5 Establishment. Each day the violation is not cured, the penalty shall increase an
6 additional one hundred dollars (\$100) per employee per day up to a limit of one
7 thousand dollars (\$1,000) per employee per day for each day in which the violation
8 remains uncured.

9 2. Attorneys' fees and costs.

10 5.93.070 Retaliatory action prohibited.

11 No Drug Retail Establishment or Food Retail Establishment shall terminate, reduce
12 in compensation, or otherwise discriminate against any Employee for seeking to enforce
13 their rights under this Chapter by any lawful means, for participating in proceedings related
14 to this Chapter, for opposing any practice proscribed by this Chapter, or for otherwise
15 asserting rights under this Chapter.

16 5.93.080 Severability.

17 If any section, subsection, sentence, clause or phrase of this Ordinance or Chapter
18 is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction,
19 such a decision shall not affect the validity of the remaining portions of this Ordinance. The
20 City Council hereby declares that it would have adopted this Ordinance, and each and
21 every section, subsection, sentence, clause and phrase thereof not declared invalid or
22 unconstitutional, without regard to whether any portion of the Ordinance would be
23 subsequently declared invalid or unconstitutional.

24 Section 2. The City Clerk shall certify to the passage of this ordinance by
25 the City Council of the City of Long Beach and cause it to be posted in three (3)
26 conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st)
27 day after it is approved by the Mayor.

28 I hereby certify that the foregoing Ordinance was adopted by the City Council of the

1 City of Long Beach at its meeting of August 12, 2025 by the
2 following vote:

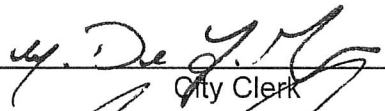
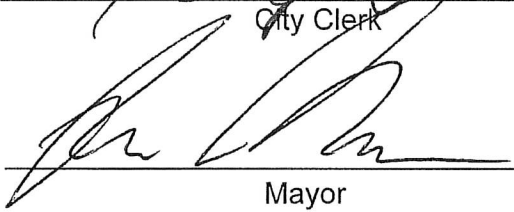
3 Ayes: Councilmembers: Zendejas, Allen, Kerr, Saro, Uranga,
4 Thrash-Ntuk, Ricks-Oddie.
5
6

7 Noes: Councilmembers: Duggan, Supernaw.
8

9 Absent: Councilmembers: None.
10

11 Recusal(s): Councilmembers: None.
12


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15 Approved: 08/21/25
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City Clerk

Mayor

AFFIDAVIT OF POSTING

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF LONG BEACH)

Yaelly Santana being duly sworn says: That I am employed in the Department of the City Clerk of the City of Long Beach; that on the 15th day of August 2025, I posted three true and correct copies of Ordinance No. ORD-25-0010 in three conspicuous places in the City of Long Beach, to wit: One of said copies in the lobby of City Hall in front of the Civic Chambers; one of said copies in the Billie Jean King Main Library; and one of said copies on the front counter of the City Clerk Department.



Subscribed and sworn to before me

This 15th day of August 2025.



CITY CLERK

ORDINANCE NO. 2026-xx

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ADDING ARTICLE 7 TO CHAPTER II OF TITLE 9 OF THE COSTA MESA MUNICIPAL CODE RELATING TO GROCERY AND DRUG STORE STAFFING STANDARDS FOR SELF-SERVICE CHECKOUT STATIONS

THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA DOES HEREBY FIND AND DECLARE AS FOLLOWS:

WHEREAS, the City of Costa Mesa, pursuant to its police power, may enact regulations for the public peace, morals, and welfare of the City; and

WHEREAS, on November 4, 2025, the City Council directed staff to return with a draft ordinance to establish staffing requirements for self-service checkout stations; and

WHEREAS, the City Council desires to establish staffing standards for self-service checkout stations located in retail grocery and/or drug stores.

Now, therefore, THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Article 7 is hereby added to, ~~of~~ Chapter II of Title 9, of the Costa Mesa Municipal Code ~~is hereby added~~ to read as follows:

GROCERY AND DRUG STORE STAFFING STANDARDS FOR SELF-SERVICE CHECKOUT STATIONS

9-170 Purpose.

It is in the public's interest to require grocery and drug stores to adopt effective preventative measures that will address the impacts on public health and safety that retail theft creates within the context of self-service checkout operations where theft commonly occurs but remains largely unchecked and underreported. Regulating the staffing of self-service checkout operations will address the hostile and unsafe working conditions for employees, and unsafe shopping environments for customers.

9-171 Short Title.

This ordinance shall be known as -the "Self-Service Checkout Staffing Requirements."

9-172 Definitions.

For the purpose of this Ordinance:

“City” means the City of Costa Mesa.

“Customer” means an individual who buys consumer goods from a Drug Retail Establishment or Food Retail Establishment.

“Drug Retail Establishment” means a retail store that sells a variety of prescription and nonprescription medicines and miscellaneous items, including drugs, pharmaceuticals, sundries, fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, prepared foods, and other merchandise.

“Employee” means a worker employed directly by a hiring entity at a Drug Retail Establishment or Food Retail Establishment. Employee does not include managers, supervisors or confidential employees.

“Food Retail Establishment” means a retail store that is ~~either: (1) over fifteen thousand (15,000) square feet in size and sells primarily household foodstuff for offsite consumption, including fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods and/or prepared foods (other household supplies or products are secondary to the primary purpose of food sales); or (2) over eighty-five thousand (85,000) square feet and with ten percent (10%) of their sales floor area dedicated to the sale of non-taxable merchandise including the sale of fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods and/or prepared foods.~~

“Non-Self-Service Checkout station” means a station that is not a Self-Service Checkout and at which an employee provides human assistance to a customer for scanning, bagging, and/or accepting payment for the customer’s purchases.

“Self-Service Checkout” means the automated processes that enable customers to scan, bag, and pay for their purchases without human assistance, including but not limited to fixed self-checkout, scan-and-go self-checkout, or mobile self-checkout.

“Self-Service Checkout station” means a station at a fixed location within a Drug Retail Establishment and/or Food Retail Establishment at which a customer can engage in a Self-Service Checkout for the customer’s purchases.

9-173 Self-Service Checkout requirement.

A. Drug Retail Establishments and Food Retail Establishments that provide Self-Service Checkout options shall provide at least one Non-Self-Service Checkout station staffed by an Employee that is available during the times that a Self-Service Checkout option is available to customers, and Drug Retail Establishments and Food Retail Establishments shall establish, implement, and advertise limits to Self-Service Checkout to purchases of no more than fifteen (15) items.

B. Drug Retail Establishments and Food Retail Establishments shall have an established workforce policy that prohibits customers from using a Self-Service Checkout station to purchase either of the following:

1. Items that require customers to provide a form of identification, including, but not limited to, alcohol and tobacco products.
2. Items subject to special theft-deterrent measures that are affixed to the item, including, but not limited to, electronic article surveillance, ink, or other tags, or items placed in locked cabinets, that require the intervention of an Employee to remove them before purchase.

C. Drug Retail Establishments and Food Retail Establishments shall notify the public of this Ordinance by prominently posting signage in a location accessible to customers, which includes either a link or QR code to the City of Costa Mesa website regarding this Ordinance, a summary of the public's rights under this Ordinance, a physical and/or email address to which notifications of violations of this Ordinance may be delivered, and the enforcement options available to the public pursuant to this Article. Failure to have and/or maintain an address pursuant to this section shall waive a Drug and/or Food Retail Establishment's ability to assert lack of notice in any civil action brought pursuant to this Ordinance.

D. Self-Service Checkout stations shall be located to enable observation and surveillance from both employees of Drug Retail Establishments and Food Retail Establishments and local law enforcement.

9-174 Self-Service Checkout staffing requirements.

A. Drug Retail Establishments and Food Retail Establishments that provide Self-Service Checkout options shall assign at least one (1) Employee to supervise the Self-

Service Checkout operation at all times that Self-Service Checkout is in operation during business hours. The assigned Employee shall have no other work responsibilities that would interfere with their ability to maintain direct visual inspection and surveillance of the Self-Service Checkout operations.

B. In the event a Drug Retail Establishment or Food Retail Establishment operates two (2) or more Self-Service Checkout stations, the Drug Retail Establishment or Food Retail Establishment shall maintain a staffing ratio of at least one (1) Employee for every three (3) Self-Service Checkout Stations (1:3 ratio). The manner in which this standard is implemented may take into account operational and logistical feasibility.

9-175 Enforcement.

A. A Customer or Employee must notify a Drug Retail Establishment or Food Retail Establishment in writing at the address established pursuant to section 9-173(c) of a violation, after which the establishment shall have seven calendar days from the date of notification to cure the violation. If the violation is not cured, a Customer or Employee of a Drug Retail Establishment or Food Retail Establishment may bring a private right of action in the Superior Court of the State of California against a Drug Retail Establishment or Food Retail Establishment for violating this Chapter Article and, upon prevailing, may be awarded:

1. A civil penalty for each violation of this Chapter Article of one hundred dollars (\$100) for each employee of the Drug Retail Establishment or Food Retail Establishment. Each day the violation is not cured, the penalty shall increase an additional one hundred dollars (\$100) per employee per day up to a limit of one thousand dollars (\$1,000) per employee per day for each day in which the violation remains uncured.

2. Attorneys' fees and costs.

9-176 Retaliatory action prohibited.

No Drug Retail Establishment or Food Retail Establishment shall terminate, reduce in compensation, or otherwise discriminate against any Employee for seeking to enforce their rights under this Chapter Article by any lawful means, for participating in proceedings related to this Chapter Article, for opposing any practice proscribed by this Chapter Article, or for otherwise asserting rights under this Chapter Article9.

9-177 Alternative Compliance

As an alternative means of compliance, a Drug Retail Establishment or Food Retail Establishment shall implement all the following security measures:

- A. Self-Service Checkout Stations are separated from Non-Self Service Checkout stations by railing or other barriers.
- B. At least one Non-Self Service Checkout station is in operation and located between the public exit and the Self-Service Checkout Stations allowing employees to monitor customers exiting.
- C. At least one staff person is dedicated to the self-checkout area during all hours of self-checkout operation.

Section 2. Inconsistencies. Any provision of the Costa Mesa Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to affect the provisions of this Ordinance.

Section 3. Severability. If any chapter, article, section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, or the application thereof to any person, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this Ordinance or its application to other persons. The City Council hereby declares that it would have adopted this Ordinance and each chapter, article, section, subsection, subdivision, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, phrases, or portions of the application thereof to any person, be declared invalid or unconstitutional. No portion of this Ordinance shall supersede any local, State, or Federal law, regulation, or codes dealing with life safety factors.

Section 4. Effective Date. This Ordinance shall take effect thirty (30) days after its final passage.

Section 5. Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published or posted in the manner required by law.

PASSED AND ADOPTED this ____ day of _____, 2026.

John Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:

Brenda Green, City Clerk

Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, BRENDA GREEN, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing Ordinance No. 2026-xx was duly introduced for

first reading at a regular meeting of the City Council held on the ____ day of _____
2026, and that thereafter, said Ordinance was duly passed and adopted at a regular
meeting of the City Council held on the ____ day of _____, 2026, by the following roll
call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the
City of Costa Mesa this ____ day of _____, 2026.

Brenda Green, City Clerk