



Santa Monica City Council Meeting – March 24, 2026

Santa Monica Neighbors Briefing: What Matters Most

Top items to watch

1) 11.C – Santa Monica Realignment Plan Update

This is the policy-and-budget driver item. It combines parking rate changes, restaurant incentives, entertainment zones, sidewalk dining fee waivers, film fee waivers, labor and classification changes, remote work changes, a compensation study, Metro grants, Metro platform enforcement, “vanlording”/safe parking direction, housing-first outreach, and study of a nonprofit housing development entity—all in one staff item. It also creates a **\$3 million Economic Development Fund reserve** from one-time General Fund resources.

2) 4.M – Appointment of City Attorney

This is a major leadership item. Staff recommends appointing **Heidi von Tongeln** as City Attorney under a **five-year agreement** with a **base annual salary of \$395,352**, with salary and benefits already budgeted.

3) 4.I, 4.J, 4.L – operational modernization items

These affect transportation reliability, enforcement, and permitting modernization:

- **Cummins** transit engine/electric propulsion work: **up to \$6,148,984** over 5 years.
- **Modaxo** parking/bike lane citation processing modification: **\$120,000 additional**, total amended agreement **up to \$13,520,000**.
- **Archistar AI** plan check: **up to \$528,000** over 5 years.

4) 4.K and 4.N – Pier/Main Street lease items

These matter because they affect commercial activation and rent recovery:

- **256 Santa Monica Pier** lease to California Roadhouse. A packet attachment advertises the site as a **4,112 sq. ft. restaurant/experiences space with patio**, with flyer terms showing **3 years, longer term negotiable, \$6.50/PSF NNN plus CAM and annual increases**—though the actual lease terms should control, not the marketing flyer.
- **The Victorian** lease assignment to The Santamonican Club, with **\$278,094 in outstanding back rent** to be accepted by the City. A packet attachment describes a community/membership concept.



Item-by-Item Summary

2.A – National Transgender Day of Visibility proclamation

What it is: Ceremonial proclamation for March 31, 2026.

Sponsor: Interim City Clerk / Council Office and Legislative Affairs Liaison Josh Kurpies.

City impact: Symbolic, not fiscal.

Cost: None stated.

Pros: Signals inclusion and support for transgender residents.

Cons: Some may view ceremonial proclamations as symbolic rather than outcome-driven.

Public input: None shown in the packet.

Sponsor: Interim City Clerk / Council Office liaison.

4.B – Clariti permitting software

What it is: Contract for permitting/land use software, but **pulled at request of staff**. Proposed amount was **up to \$1,403,705** over 3 years.

City impact: Would affect permitting workflow and land use administration.

Why it matters: Because it was pulled, this is a flag item rather than an action item. It may indicate unresolved procurement, scope, technical, or policy issues.

Sponsor: 4.B: Information Services Department.

4.C – Annual Comprehensive Financial Report (ACFR)

What it is: Receive and file the City's audited financial report for fiscal year ended June 30, 2025.

Sponsor: Finance/audit function.

City impact: High importance for transparency and fiscal oversight, but this item itself does not authorize new spending.

Cost: No new expenditure in the recommendation.

Pros: Improves transparency, lets residents assess reserves, liabilities, and fiscal condition.

Cons: "Receive and file" items can get little real discussion despite being important.

What to say: Ask for the plain-English takeaways: structural balance, reserves, deferred liabilities, and any audit findings residents should care about.

4.D – Vehicle body work / upfitting with Westway

What it is: Vehicle body work, repair, paint, and upfitting for Public Works; **up to \$2,820,077** over 5 years.

City impact: Fleet upkeep and operational continuity.

Pros: Keeps city fleet functional.

Cons: Routine contract, but residents may ask about bid competitiveness, utilization, and whether repair vs. replacement economics were analyzed.

Sponsor: 4.D: Public Works Department.

4.E – City Yards modernization modification

What it is: Seventh contract modification with Hathaway Dinwiddie for additional design/construction services; **\$2,070,157 increase**, bringing the contract total to **up to \$100,743,196**.

City impact: Major capital project with large cumulative cost.

Pros: City Yards infrastructure and microgrid/water improvements may improve long-term operations and resilience.

Cons: Large cumulative price tag; seventh modification invites scrutiny over project growth and change orders.

4.F – Ratify regional fires emergency proclamation

What it is: Ratifies local emergency related to regional fires and supplements.

City impact: Preserves emergency authorities, contracting flexibility, response posture.

Cost: No discrete dollar amount in the recommendation.

Pros: Maintains legal framework for response and recovery.

Cons: Emergency powers deserve periodic scrutiny so they do not become automatic.

What to say: Ask what powers remain active, what actions were taken under the proclamation, and what sunset/oversight exists.

4.G – Ratify homelessness emergency proclamation

What it is: Ratifies the 2025 homelessness emergency proclamation.

City impact: Continues emergency framework around homelessness policy.

Pros: Can streamline coordination and response.

Cons: Residents may reasonably ask what measurable outcomes the emergency status has produced.

What to say: Ask for metrics: shelter placements, service engagement, encampment outcomes, public safety outcomes, and why emergency status remains necessary.

4.H – Occupational medical testing contracts

What it is: Agreements with USMD Direct, Kaiser Permanente, and Pacific Harbor Medical Group for occupational medical testing. Total recommended authorizations are roughly **\$3.63 million** over 5 years across all three providers.

City impact: Employment screening, workplace health compliance, public safety readiness.

Pros: Risk management and employee safety.

Cons: Large aggregate cost; worth asking why services are split across three entities and how utilization will be controlled.

Sponsor: 4.H: Human Resources and Finance Departments.

4.I – Cummins transit propulsion/engine work

What it is: Overhaul, replacement, and repair of Cummins engines and battery electric propulsion systems for Transportation; **up to \$6,148,984** over 5 years.

City impact: Big Blue Bus reliability.

Pros: Fleet reliability and transition support for electric propulsion.

Cons: Significant cost; residents may want to know how this fits into fleet replacement strategy.

Sponsor: 4.I, 4.J: Transportation Department.

4.J – Modaxo citation processing / automated bike lane enforcement

What it is: Adds \$120,000, bringing total amended agreement to up to \$13,520,000 over 9 years.

City impact: Parking and bike lane citation administration.

Pros: Supports enforcement of blocked bike lanes and citation processing efficiency.

Cons: Total long-term contract size is substantial; automated enforcement can raise fairness and due process concerns if not carefully implemented.

What to say: Ask for transparency on error rates, appeals, equity impacts, net revenue vs. cost, and whether enforcement is focused on safety rather than revenue generation.

4.K – Lease for 256 Santa Monica Pier

What it is: Lease authorization with California Roadhouse for a Pier space. Packet attachment describes it as a 4,112 sq. ft. restaurant/experiences space with patio; flyer marketing terms show 3 years, longer term negotiable, with stated asking rent and CAM.

City impact: Pier activation, visitor experience, lease revenue.

Pros: Activates vacant/underused Pier commercial space.

Cons: Without the final negotiated lease terms in plain English, the public may not know whether the economics are favorable.

4.L – Archistar AI plan check

What it is: Five-year AI-assisted plan check agreement; up to \$528,000.

City impact: Could speed plan review and permitting.

Pros: Faster turnaround, workload relief, modernization.

Cons: AI review raises questions about accuracy, accountability, bias, appeal rights, and data/privacy handling.

4.M – Appointment of City Attorney

What it is: Permanent appointment of Heidi von Tongeln as City Attorney. Staff says she has worked in the office for 13 years, served as Chief Deputy since 2022, and the proposed agreement is 5 years with \$395,352 base annual salary. Salary/benefits are already in the FY 2025-26 budget.

City impact: Very significant. The City Attorney shapes legal strategy, litigation posture, transparency culture, and risk management.

Pros: Continuity, institutional knowledge.

Cons: Residents may want a fuller public discussion of priorities, independence, litigation management, and ethics/transparency expectations.

What to say: Ask what performance expectations, transparency commitments, and litigation/ethics priorities will guide the new City Attorney.

4.N – Victorian lease assignment to The Santa Monican Club

What it is: Transfer leasehold interest from Ocean Park Restaurant Corporation to The Santamonican Club, LLC, and accept \$278,094 in back rent. Packet attachment describes a membership/community event concept.

City impact: Main Street commercial use, lease recovery, neighborhood character.

Pros: Recovers back rent and potentially stabilizes a struggling site.

Cons: Residents may question whether the new concept serves the broader public, whether the city is resetting too generously, and whether neighborhood impacts were considered.



11.C – Santa Monica Realignment Plan Update

This is the item Santa Monica Neighbors should probably spend the most time on.

What it does

Staff is asking Council to approve a sweeping package that includes:

- revised downtown parking rates and validations,
- restaurant wastewater fee waivers,
- retail-to-restaurant activation concept,
- a **\$3 million Economic Development Fund reserve**,
- new entertainment zones in downtown, on parts of the Pier, Main Street, and Montana,
- new right-of-way/open container/sit-lie regulations tied to entertainment zones and major events,
- no-cost basic sidewalk dining,
- film permit fee waivers,
- acceptance of **\$250,000** and **\$500,000** Metro grants,
- a **\$250,000** Revel Republic contract modification,
- personnel and budget changes,
- new classifications and salary rates,
- remote work revisions,
- labor side letters,
- civil service rule changes,
- a **\$525,000** Segal compensation/classification study,
- direction on "vanlording"/safe parking,
- an MOU with Metro for SMPD enforcement on train platforms,
- housing-first system outreach,
- and study of a nonprofit housing development entity.

Why it matters

This is effectively a **mini-governing agenda** inside one staff item. It mixes economic development, policing, homelessness, labor policy, staffing, parking, alcohol policy, dining rules, transit grants, and housing structure questions. That breadth matters because it becomes harder for the public to debate each policy on its own merits when they are bundled together.

Likely city impact

Positive case staff is making: operational stability, public safety renewal, downtown activation, easier restaurant and film activity, stronger service standards, and fiscal balance. Staff also says the city has a structurally balanced operating budget, event-driven revenue potential, about **\$94 million in unobligated General Fund cash on hand**, and an improved liability profile.

Core concerns for residents: bundling, unclear tradeoffs, governance transparency, parking cost impacts, alcohol/public space impacts, policing expansion, labor cost growth, and whether one-time funds are being used for initiatives that create ongoing expectations.

Pros

It may help downtown activity, reduce friction for restaurants and outdoor dining, leverage grants for major events, and modernize internal operations. The Metro grants and some fee waivers could support a more event-ready city ahead of FIFA/Olympics-related activity.

Cons

The item is so broad that it is hard to vote on cleanly. A councilmember could support film permit waivers but oppose entertainment zones, or support compensation study but oppose parking increases. Bundling can reduce accountability. It also touches several sensitive areas at once: policing, homelessness, open alcohol rules, remote work, and housing policy.

Cost questions

The packet explicitly identifies:

- **\$3,000,000** Economic Development Fund reserve,
- Metro grants of **\$250,000** and **\$500,000**,
- Revel Republic modification **\$250,000**,
- Segal compensation study **up to \$525,000**.

Some other components are fee waivers or budget/personnel changes whose net fiscal impact will depend on the attachment details and implementation. On this record, residents should ask for a single plain-English table showing:

1. direct new city spending,
2. forgone revenue from fee waivers,
3. one-time vs. ongoing costs, and
4. expected return on investment.