



SUPPORT SB 70 – Allowing for temporary permits for the selling and serving of alcoholic liquor.

To: House Committee on Federal & State Affairs
Rep. John Barker, Chair

From: City of Lenexa
Mike Nolan, Assistant to the City Manager

Date: March 22, 2019

Honorable Chairman and Committee Members:

Thank you for the opportunity to express support for SB 70, as amended. It provides flexibility for Kansas businesses as well as allows local governments to maintain the controls they possess within their jurisdictions. The City supports the entire bill. However, the most recent amendment, insertion of the contents of HB 2239, is of greatest interest.

In 2017, a law was enacted (K.S.A. 41-2659) establishing the authority of local governments to create Common Consumption Areas within their community. CCAs are specifically demarcated places where patrons of lawfully participating drinking establishments may remove alcoholic beverages from within the licensed premises of those drinking establishments into a common area – such as a plaza, courtyard, or other shared space. The City of Lenexa collaborated with the Kansas Licensed Beverage Association and other communities to pass the original legislation, and working with the Division of Alcoholic Beverage Control established the state's first permitted CCA in fall 2017.

The original bill was part of an effort to support the opening of the Lenexa Public Market on the City's civic campus. The Public Market is food hall at the heart of Lenexa's new downtown and has a twofold mission: to create a "third" place for the community to gather as well as provide opportunities for local entrepreneurs to start or grow a business. The Public Market features 11,125 ft.² of space with room for 10-15 food-focused micro enterprises varying in size from 100 ft.² to 650 ft.². Merchants share a common indoor area and outdoor spaces. The Public Market currently houses 10 merchants with two licensed drinking establishments – and planning for a third in the next several months.

The City updated the House Local Government Committee in 2018 on the operation of our CCA and at the time did not request any technical changes. However, the need for participating drinking establishments to deploy alcoholic beverage stations in a non-contiguous area to their licensed premises has become an operational necessity.



There are weekly events outside on the Lenexa Commons (mostly in the spring, summer, and fall) and numerous private groups rent the Public Market's event space – many of whom want to include bar service. These areas are within the CCA, but outside the licensed premises of the Market's drinking establishments, making it difficult for them to meet the needs of their customers. Thus far, the drinking establishments have used temporary permits to accommodate public events and private rentals, but they are limited in number each year.

The amendment to SB 70, the addition of the contents of HB 2239, seeks to expand, on a limited basis, the ability of a licensed drinking establishment to sell and serve alcoholic beverages within a CCA. Currently, drinking establishments are allowed to sell alcoholic beverages only from their licensed premises. Customers are then permitted to remove drinks from the licensed premise to anywhere within a CCA. The law does not allow the *sale* of that beverage from anywhere within a CCA, just possession and consumption. It stands to reason that if a customer may enjoy an alcoholic beverage anywhere within the CCA, then it makes operational sense that a licensed drinking establishment, with a CCA permit holder's approval, should be allowed to sell that beverage from anywhere within a CCA.

The City believes that allowing licensed drinking establishments to set up a non-contiguous service area outside their licensed premises, but within a duly permitted CCA, when the situation warrants is a common sense solution to the Public Market's operational needs. The proposed bill is a targeted way to address this significant issue for the entrepreneurs in CCAs. It provides flexibility to meet the demands of customers while also preserving the intent of the original legislation.

The Lenexa Public Market is a collaborative effort between the City and local entrepreneurs to bring unique and exciting products and events to the community. The bill is limited in scope, but it will make a significant difference in the operation, ambiance, and success of the Public Market and other CCAs. The City urges you to support SB 70, as amended, and are available to answer any questions you may have.

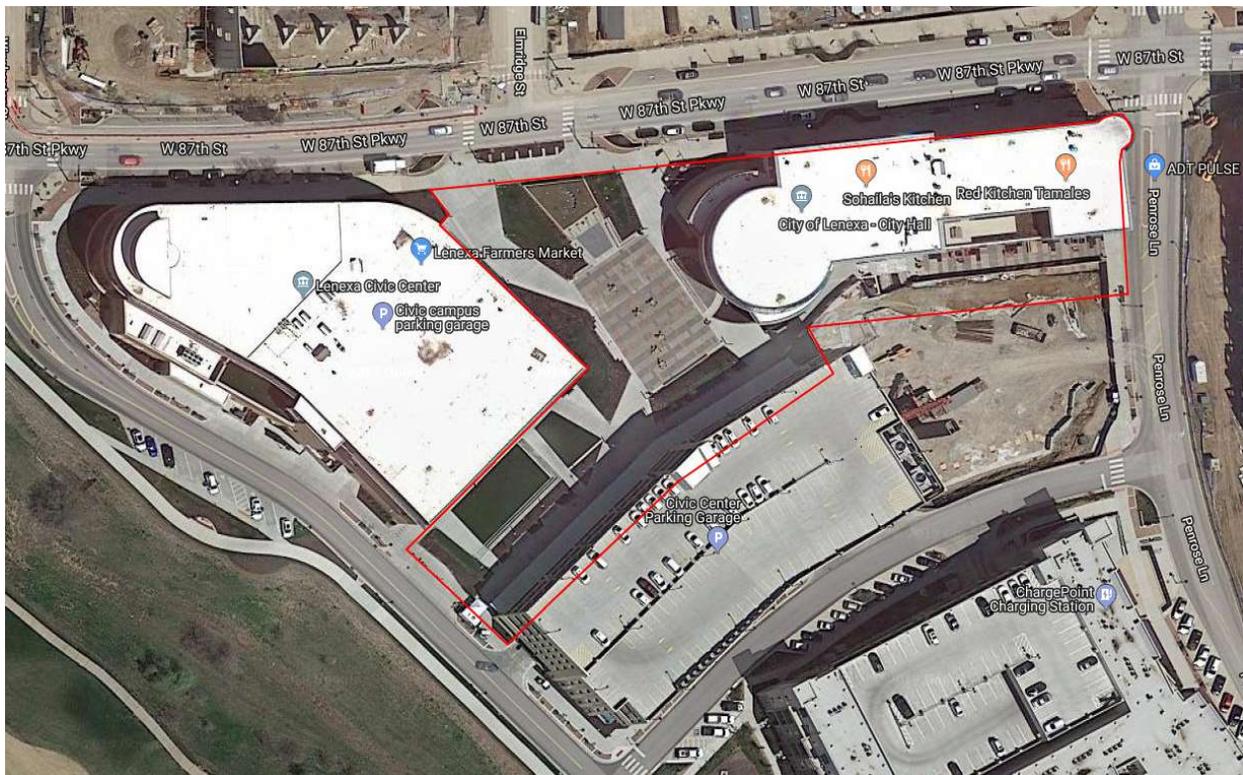
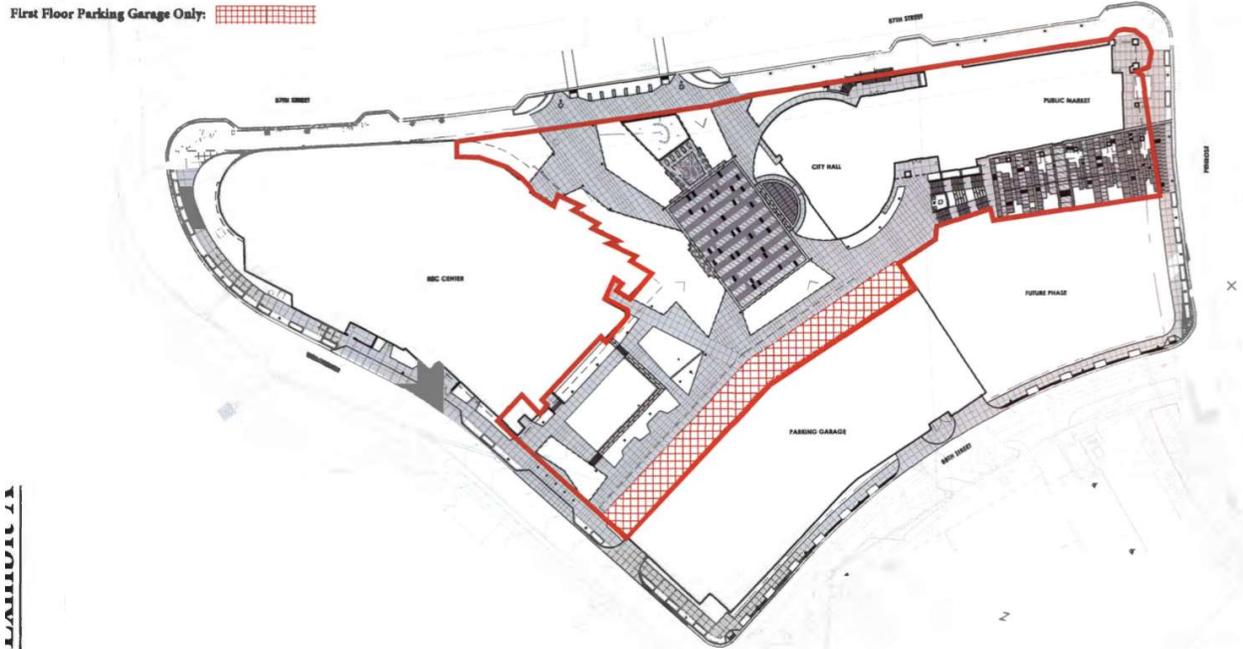
City of Lenexa

A handwritten signature in blue ink that reads "Mike Nolan".

Mike Nolan
Assistant to the City Manager

Public Market CCA Boundary Line: ———

First Floor Parking Garage Only: [Grid Pattern]



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