



SUPPORT HB 2239 – Liquor sales by licensees in common consumption areas.

To: House Committee on Local Government
Rep. Kent Thompson, Chair

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

Date: February 18, 2019

Honorable Chairman and Committee Members:

Thank you for the opportunity to express our support for HB 2239, a bill which would allow licensed drinking establishments that participate in a Common Consumption Area (CCA) to sell alcoholic beverages from anywhere within that CCA.

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 CCA in summer 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 at the heart of our 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, test, and grow a business. The Public Market features 11,125 ft.² of space with room for 10-15 micro-enterprises varying in size from 100 ft.² to 650 ft.² that share a common indoor area and outdoor spaces. We currently have 12 merchants with two licensed drinking establishments – and planning for a third in the next few months. The Market can accommodate five long-term tenants, six intermediate-term spaces, as well as pop-up opportunities for temporary merchants. We also feature a 48-seat event space/demonstration kitchen.

We 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 our drinking establishments to set up within the CCA in a non-contiguous area to their licensed premises has become an operational necessity. Our Public Market is an



increasingly popular place, and the way CCAs work has become an issue. There are weekly events outside on our Commons (mostly in the spring, summer, and fall) and we book numerous private rentals in our event space – many of whom want a nearby bar or beer station. These areas are within the CCA, but outside the licensed premises of our drinking establishments, making our ability to meet the needs of these customers cumbersome. Thus far, our drinking establishments have used temporary permits to accommodate events and private rentals, but they are limited in number each year.

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.

We believe that allowing duly licensed establishments to set up a non-contiguous location outside their premises, but within a CCA, when the situation warrants is a common-sense solution to our operational needs. The proposed bill is a targeted way to address this significant issue for the entrepreneurs in CCAs and 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 something unique and exciting 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 future CCAs. We urge you to support the HB 2239 and are available to answer any questions you may have.

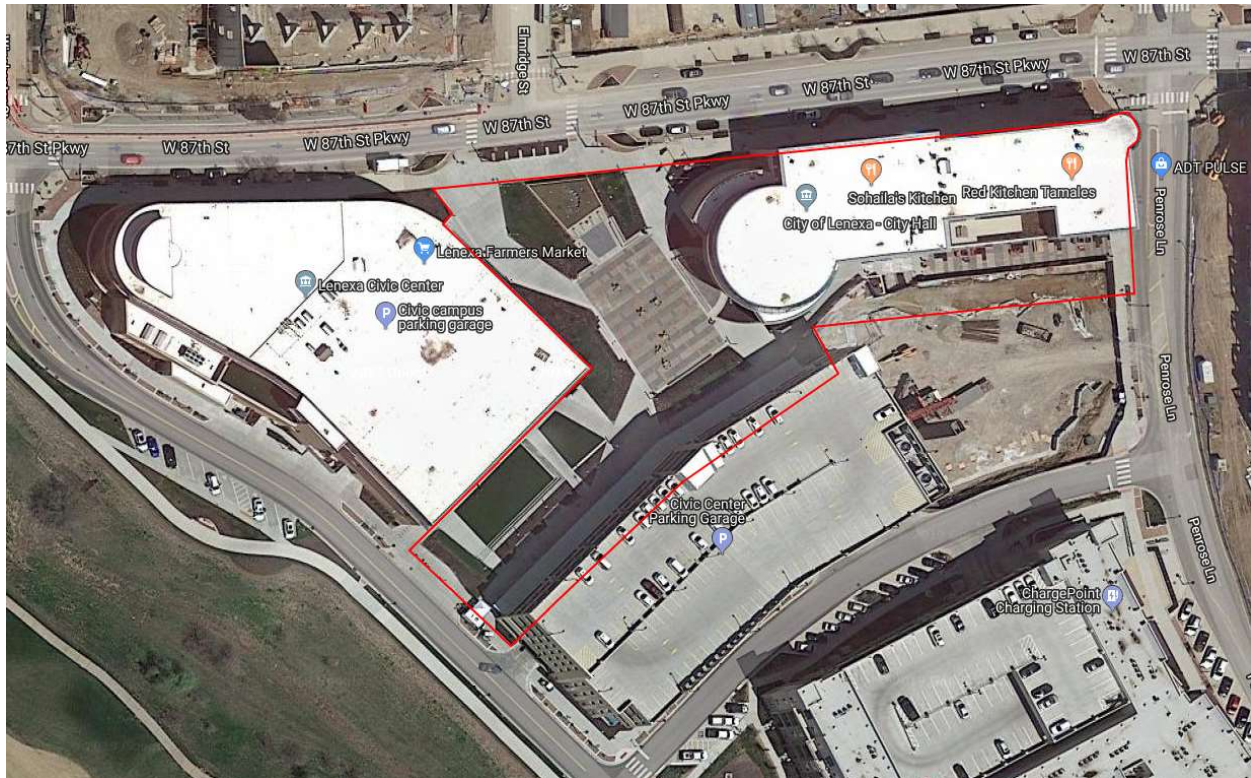
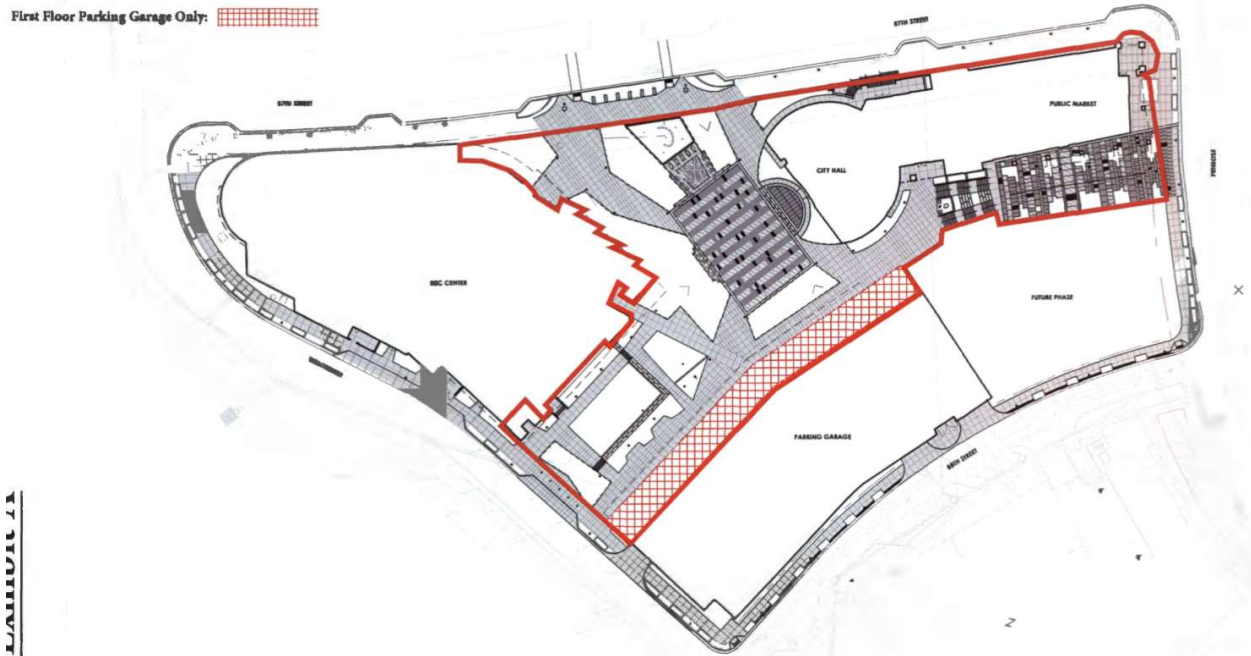
City of Lenexa

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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