

TO: The Honorable Steve Brunk, Chair
House Federal & State Affairs Committee

FROM: William W. Sneed, Legislative Counsel
Kansas Unified Development

SUBJECT: S. B. 299

DATE: March 7, 2012

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I represent Kansas Unified Development ("KUD") and KC American Sportservice, LLC, (KC American Sportservice). On behalf of our clients, we commend the ABC for bring this bill forward and we are strongly in support of S.B. 299 ("Public Venue License" bill), as adopted by the Kansas Senate. KUD is the owner of Livestrong Sporting Park - the home stadium of Sporting Kansas City Soccer Club of Major League Soccer. KC American Sportservice, a subsidiary of Delaware North Companies (a national concessionaire company), is the food and beverage concessionaire for the stadium.

Livestrong Sporting Park opened in 2011, as a state-of-the-art, \$200 million, 18,500-seat, outdoor, soccer specific stadium, located in the Village West Tourism District in Kansas City, Kansas. Last Spring, when KUD and KC American Sportservice began investigating the Kansas liquor laws in preparation for obtaining a liquor license for the stadium, it found that Kansas has a one-size-fits-all licensing program. In contrast to most other states, the liquor licensing scheme for large, entertainment venues is the same as for small bars and restaurants, even though these facilities are much different in terms of size and function.

Sports and entertainment venues are unique facilities serving large customer bases and require multiple, and different entertaining and service opportunities. One obvious example is the availability of suite areas used by corporations and businesses for entertaining clients. In Livestrong Sporting Park, there are two levels of suites, a field box seating area, a member's club only seating area, and various other entertaining opportunities throughout the stadium. Each of these areas is a unique environment and requires different service levels and needs.

These various entertainment areas did not fit neatly into Kansas's one-size-fits-all licensing scheme and KUD and KC American Sportservice were forced to make significant compromises and alterations in their typical method of service in an attempt to fit into the box.

S.B. 299 goes a long way towards "fixing" the various issues encountered by my clients by creating a new, "Public Venue License," which will regulate alcohol service at large, entertainment venues in Kansas. The following are several of the primary provisions that allow us to support the bill.

House Federal & State Affairs

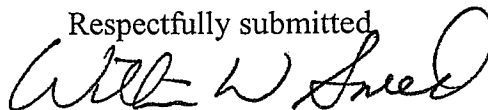
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Attachment # 6

1. Allows unlimited (all inclusive) service for a fixed price in designated areas.
 - “All-inclusive” service is standard in large entertainment venues throughout the country. In certain areas within larger venues, such as suites and premium seating areas, upgraded packages, such as “all inclusive” service is expected by a certain class of ticket buyers. Current law allows “all inclusive” service but only under very limited circumstances. The change will provide greater flexibility and put Kansas on the same competitive plane, as neighboring states.
2. Allows bottled service and storage of any alcohol (wine, beer and spirits) in private suites.
 - Bottled service in the suite areas provides a certain “entertainment environment” expected by purchasers of upgraded ticket packages. Under current law, only wine and beer can be sold by the bottle in a drinking establishment. Otherwise all alcohol must be sold by the individual drink. The law does not change this for traditional bars and restaurants, but would allow public venue licensees to sell spirits (hard liquor) by the bottle in addition to wine and beer, but only in the private suites.
3. Allows the return of unopened liquor to the retailer or distributor (with their consent), as long as the next scheduled event is more than 90 days from the date of the last concluded event.
 - This highlights a great example of the unworkable, “one size fits all” approach now taken in Kansas. Without a change, large entertainment venues are forced to either over or under purchase stock, which leads to waste and inefficiency in operations. Many larger venues are seasonal in nature and must now guess at how much to purchase for the last event, which leaves them at risk of either “running out” or discarding product that will become stale before the start of the next season.

Thank you for your consideration. We respectfully request that the committee act favorably on S.B. 299. I am available for questions at your convenience.

Respectfully submitted

 6-2
William W. Sneed