

Special Events and their Impact on Liquor License Compliance

Community & Economic Development Committee

Major Nicole Walters

June 10th, 2026



LEE'S SUMMIT
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“Breakdown” of the issue-

- Currently, we have local businesses that are in jeopardy of revocation, non-renewal of certain license types as their gross sales total for the last year does not meet the percentages required in City ordinances.
- Certain liquor licenses require a minimum percentage of food or non-food sales relative to alcohol sales based on gross sales tax receipts.

“Breakdown” of the issue-

- During special events such as pub crawls, Downtown Days, Oktoberfest, etc., alcohol sales spike while food sales often remain flat or increase at a much lower rate.
- As a result, a restaurant or amusement place that is ordinarily compliant can fail the ratio test during a reporting period even though its day-to-day operation remains restaurant or amusement place-oriented.

Current COLS ordinance requirements-

- License Types

- **Sec. 4-128. – “C3” LICENSE-** Restaurant retail selling of malt liquor by the drink and also in the original package; includes Sunday sales.
- **Sec. 4-134. - “G3” LICENSE-** Restaurant retail selling of intoxicating liquor of all kinds by the drink and in the original package.
- **Sec. 4-151. - “T” LICENSE-** Amusement place, retail selling of intoxicating liquor by the drink and also in the original package.

All license types must have less than fifty (50%) percent of their gross sales from alcohol.



Comparator cities: -

Most communities require **40%-50% of gross sales** to come from food or non-alcohol sales.

- 40% = Springfield
- 45% = Grandview
- 50% = Independence, Columbia, North Kansas City, Blue Springs, KCMO

Business Compliance Issues

Some of our businesses are exceeding the 50% alcohol/food or non-food ratio:

- On average we have businesses exceeding the ratio and coming in at 53% alcohol sales; highest alcohol sales ratio reported was 56%.
- They are failing to meet the required food/non-food sales ratio by an average of 3%.
- Some of these businesses were already on provisional license status.

Factors Driving Compliance Issues

- Increasing special events and activities, that support alcohol sales spikes.
- Continued growth of entertainment district

Discussion-

Impacts of license changes, revocation

- Change in license type would prohibit minors in the business, would reduce family dining options
- Loss of customers during peak youth sports league or professional sports team seasons
- Loss of customers during large community events
- Overall revenue decline, long-term business stability



Discussion-

Possible solutions

1. Change business license type
2. Amend Sec 4-17 D regarding minors
3. Adjust ordinance definitions of food/non-food sales requirements
4. Raise alcohol sales ratio cap

Direction could warrant additional CEDC discussion or preparation of ordinance amendments (or both) depending on scope and magnitude of direction provided.

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