4/27/17

4A

City of Santa Clara

Santa Clara Convention Center

Economic Development Committee (Item 4.A)

April 27, 2017

City of Santa Clara
The Center of What's Possible

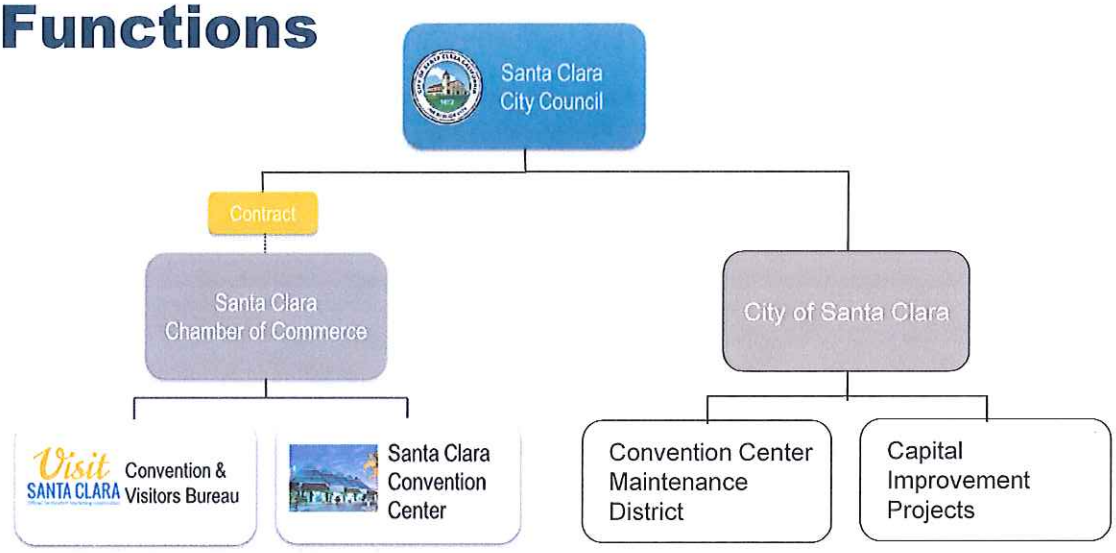
Overview

- Follow-up from Previous Meeting
- Current Processes of Santa Clara Convention Center and Visitor's Bureau
- Strengths and Challenges
- Status since opening of Levis
- Financial Performance and Financial Impact to City
- JLL Contract & Next Steps

City of Santa Clara
The Center of What's Possible

POST MEETING MATERIAL

Functions



3

City of Santa Clara

Convention Center Management

- In 1975, Chamber operated a Convention and Visitors Bureau under contractual agreement with the City.
- Dec. 1983, Council considered four operating alternatives, staff recommended operation by the Chamber.
- March 1984, Council approved Management Agreement with Chamber for management and operations of the Convention Center. Council appointed three of its members to serve on a Convention Center Liaison Committee.
- In 1986, the Santa Clara Convention Center, Doubletree Hotel and Techmart began operation.

City of Santa Clara

Santa Clara Convention Center PRESENTATION

Visit SANTA CLARA

5

Visit SANTA CLARA

Current Model

CVB and Center as Divisions of the Chamber of Commerce

6

Visit SANTA CLARA

Working Operating Model

CVB and Center working independently of the Chamber of Commerce

7

Visit SANTA CLARA

Overview

SCCC

•42 Full-Time & 4 Part-time Employees

- Administration 7 FT employees
- Sales 1 FT employee
- Event Services 4 FT employees
- Building Services 16 FT and 4 PT employees
- Engineering 7 FT employees
- Security 7 FT employees

CVB

•12 Full-Time 1 Part-Time and 2 Temp Employees

- Group Marketing and Sales 7 FT, 2 FT and 2 Temps shared positions for operations.
- Convention Services program provides 1 FT .
- Visitor Marketing & Communication program provides 2 FT and 1 PT

8

Visit SANTA CLARA

Convention Center Partners

Aramark
- Catering

PSAV
- Audio/Visual

Smart City Networks
- Telecommunications

Spot Focus
- Digital Advertising
- Beams

UPS Store

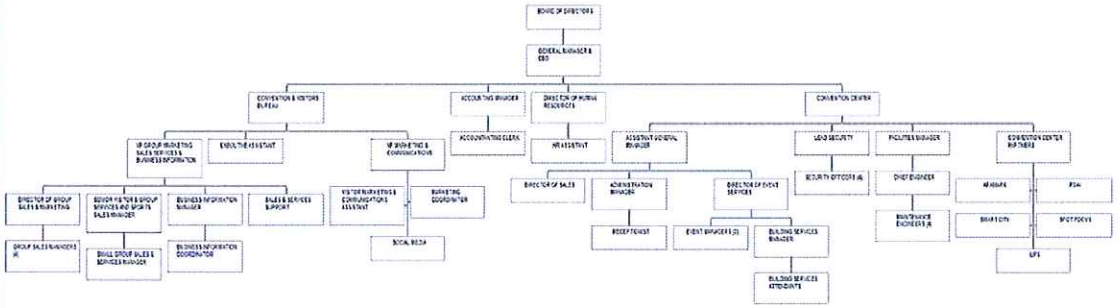
ARAMARK PSAV PRESENTATION SERVICES SmartCity NETWORKS SPOT FOCUS ups

9

Visit SANTA CLARA

Org Chart

SANTA CLARA CONVENTION CENTER & CONVENTION AND VISITORS BUREAU



10

Visit SANTA CLARA

Strengths

- Proven Record of Hosting/Executing Major Events
- Maximize Use of Facilities to Optimize Revenues
- Established In-House Vendor Partnerships
- Raising City Awareness to Meeting Planners & Visitors
- Established Long Term Stakeholder Relationships (includes City, Hotels, Community, Clients, Partners, etc.)
- Working Relationship with Levi's Stadium and California's Great America
- Experienced & Knowledgeable Staff
- Maintain and Deliver High Quality of Service

11

Visit SANTA CLARA

Challenges

- Facility Renovation
- Facility Size
- Budget Limitations
  - Operations
  - CIP

12

Visit SANTA CLARA

Challenges

- Long-Term Event Planning and Scheduling
- Convention Center Parking on Stadium Event Days
  - Takes more time for guest to get to the Convention Center
  - All guest have to be screened at Bunker Hill Entrance only when there is a stadium event
    - This takes more time for guest to get onto the campus and park and causes back-ups
  - Traffic is heavy on all roadways around the center and area
  - Traffic is more controlled and more challenging
    - Requires additional labor for Parking Controls
  - Potential of SCCC attendees having to pay for parking at California's Great America or Levi's Stadium rates
    - May 17, 2017 – U2 Concert, SCCC All-facility event (5,000-6,000 attendees)
  - SCCC incurs added costs for off-site parking
    - California's Great America and Marvell
    - Shuttles

13

Visit SANTA CLARA

Status/Coordination with Levi's Stadium

- Support with referrals, bid proposals and presentation, obtaining hotel rooms
  - Past events include WrestleMania 31, Super Bowl 50, Pac 12 Championship, Copa America Centenario
  - Upcoming 2019 College Football Championship
- Coordinate on shared events
  - SCCC clients utilize for offsite events
  - 49er's (e2k) use SCCC for Events
- Coordination of all activities surrounding Large Stadium Events
  - Includes Parking, Event Scheduling, Client Arrivals, Scheduling Staff
- Participate in Stadium Ops Meetings
  - Includes SCPD, VTA, Sheriff, CGA
- Stadium provides additional activities for Visitors
  - Restaurants, Museum, Tours and Store

14

Impact of Levi's Stadium

- Occasional Loss of Business
  - Holiday Parties
  - Opening Event Receptions
  - Draft Day Party
    - Hosted while stadium under construction, lost event upon completion
  - Pasta Bowl
    - Hosted while stadium under construction, lost event upon completion
- New Business
  - Cheerleader Events
  - State of the Franchise

15

Sources of Revenue Generated

For Santa Clara Businesses and City General Fund

- Delegate/visitor spending
  - Hotels
  - Restaurants
  - Retail
  - Transportation
  - Entertainment

16

Sources of Revenue Generated

For Santa Clara Businesses and City General Fund:

- Convention Center Events
  - Space Rental
  - Food & Beverage
  - Telecommunication
  - Audio Visual
  - UPS
  - Electrical Commissions

17

Sources of Revenue Generated

For Santa Clara Businesses and City General Fund:

- City Tax Revenues
  - Transient Occupancy Tax (TOT)
  - Tourism Improvement District (TID)
  - Community Facilities Tax (CFD)

18

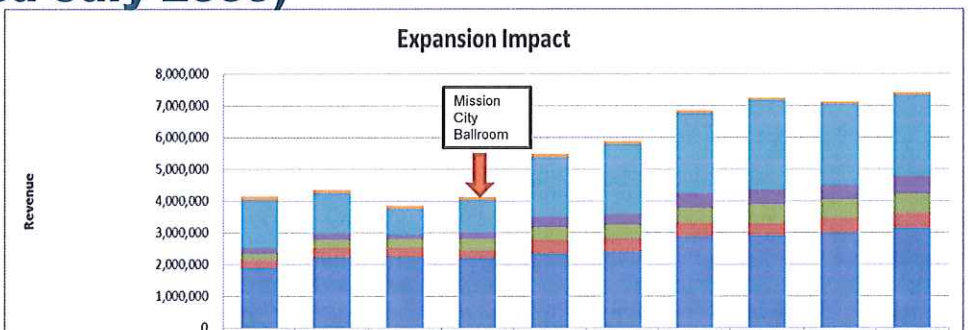
Visit SANTA CLARA Convention & Visitors Bureau	Convention Sales & Marketing Convention Services Visitor Marketing & Communication Limited Funding from Tourism Improvement District (TID)
 Santa Clara Convention Center	Zero Based Account Surplus/Deficit Funded by City of Santa Clara Operations & Maintenance
Convention Center Maintenance District	Fund 026 Convention Center Maintenance Convention Center's share of Common Areas (e.g. pavement, landscaping, utilities, parking garage maintenance)
Capital Improvement Projects	Capital Improvements for Convention Center and Great America Ballrooms (e.g. convention center audio system, Hyatt Ballroom carpeting)

Funded by the City of Santa Clara

City of Santa Clara
The Center of What's Possible

19

Impact of Mission City Ballroom Expansion (Opened July 2009)

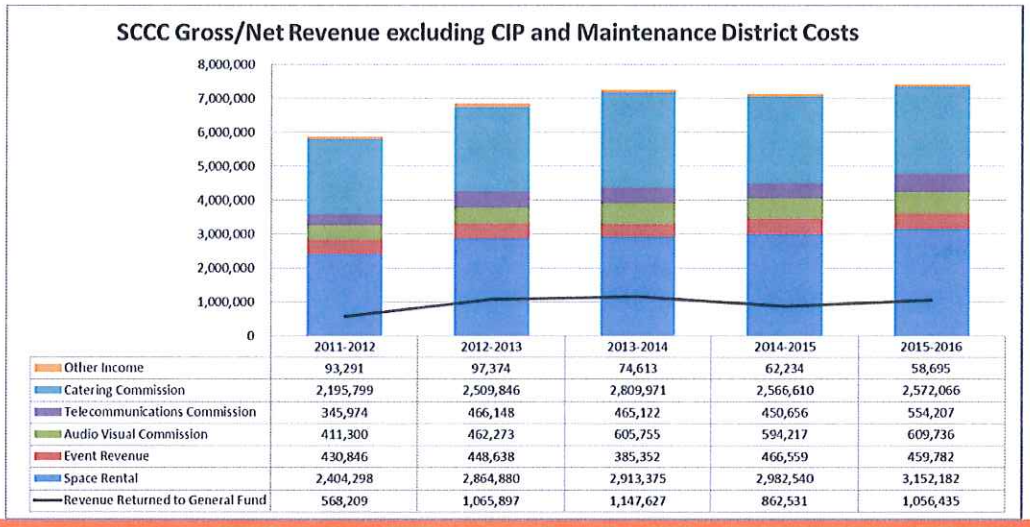


	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Other Income	105,039	119,444	102,064	90,887	90,512	93,291	97,374	74,613	62,234	58,695
Catering Commission	1,527,352	1,262,009	800,499	1,037,616	1,900,070	2,195,799	2,509,846	2,809,971	2,566,610	2,572,066
Telecommunications Commission	175,733	198,136	145,157	193,314	313,591	345,974	466,148	465,122	450,656	554,207
Audio Visual Commission	192,773	270,992	271,929	362,512	395,825	411,300	462,273	605,755	591,217	609,736
Event Revenue	245,886	287,183	302,852	244,991	435,833	430,846	448,638	385,352	466,559	459,782
Space Rental	1,905,754	2,227,504	2,234,429	2,205,704	2,346,212	2,404,298	2,864,880	2,913,375	2,982,540	3,152,182

City of Santa Clara
The Center of What's Possible

20

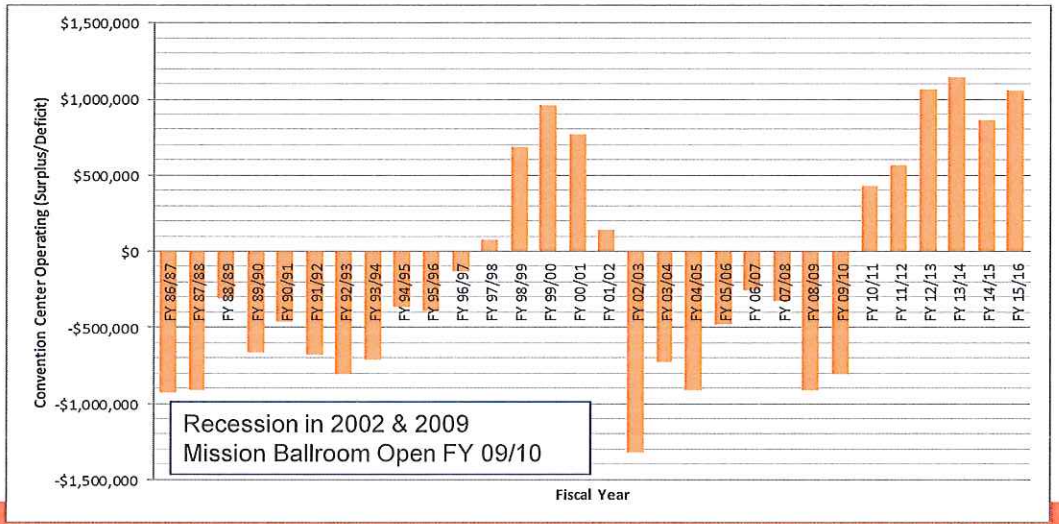
5 Year Convention Center Revenue



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Other Income	93,291	97,374	74,613	62,234	58,695
Catering Commission	2,195,799	2,509,846	2,809,971	2,566,610	2,572,066
Telecommunications Commission	345,974	466,148	465,122	450,656	554,207
Audio Visual Commission	411,300	462,273	605,755	594,217	609,736
Event Revenue	430,846	448,638	385,352	466,559	459,782
Space Rental	2,404,298	2,864,880	2,913,375	2,982,540	3,152,182
Revenue Returned to General Fund	568,209	1,065,897	1,147,627	862,531	1,056,435

City of Santa Clara
The Center of What's Possible

Convention Center Operating History



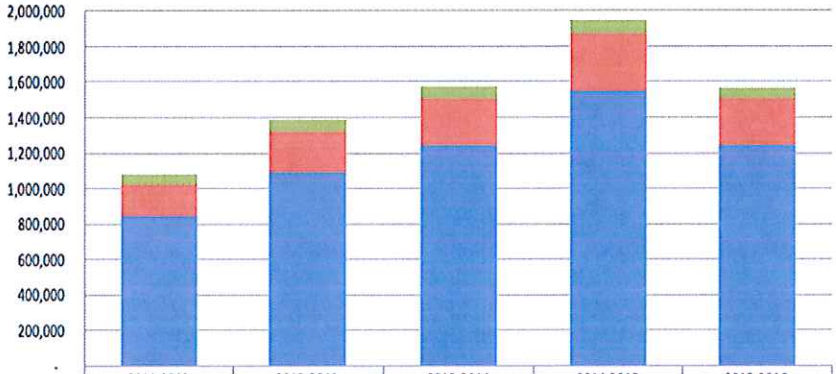
City of Santa Clara
The Center of What's Possible

Actual Room Nights Booked through CVB

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
In-House (Hotel Only)	8,430	7,520	13,402	24,808	7,032
Convention Center	51,861	61,878	56,776	51,649	51,959
Total Room Nights Picked Up	60,299	69,398	70,260	76,457	59,791

City of Santa Clara
The Center of What's Possible

Actual Hotel Taxes Generated



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Tourism Improvement District	60299	69398	70260	76457	59791
Community Facilities Tax	177436	229402	261353	325753	262064
Transient Occupancy Tax	842820	1089660	1241427	1547325	1244804

City of Santa Clara
The Center of What's Possible

Convention Center Complex

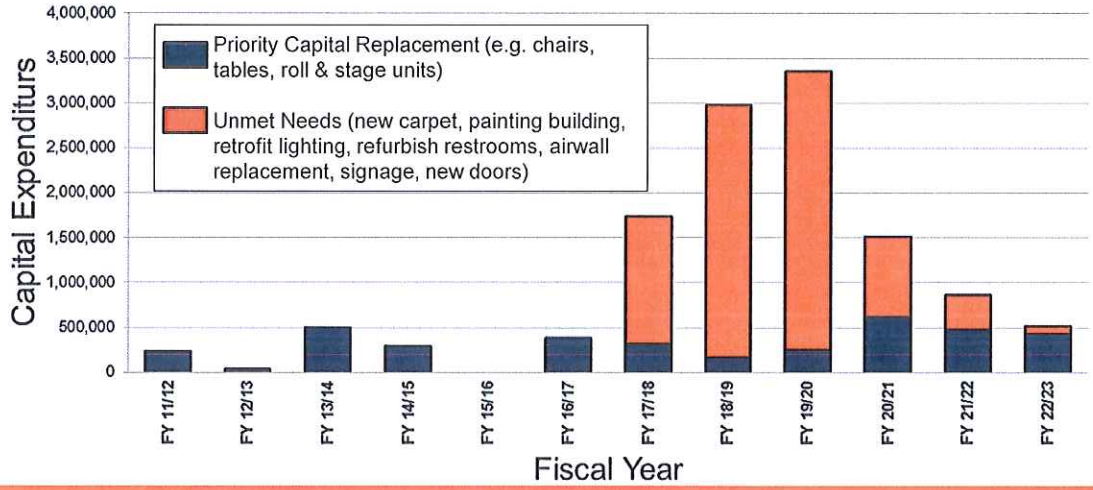
Inventory

GPA: C+

- 300,000 SF Convention Space
- 546,000 SF Parking Garage

City of Santa Clara
The Center of What's Possible

Capital Improvement Needs



City of Santa Clara
The Center of What's Possible

Convention Center Complex

Funding Needs

Category	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
Proposed & Unmet Needs	$1.7 M	$3 M	$3.4 M	$1.5 M	$0.9 M	$10.5 M
Structural & Systems*	TBD	TBD	TBD	TBD	TBD	TBD
Total	TBD	TBD	TBD	TBD	TBD	TBD

20 Year Total
TBD

*Building Assessment Study to be completed in 2017.

City of Santa Clara
The Center of What's Possible

Santa Clara Chamber of Commerce & Convention-Visitors Bureau Funding

Santa Clara Convention Center

Zero Based Account. Surplus/Deficit Funded by City of Santa Clara (FY15/16 $1M Surplus) not including depreciation

Convention-Visitors Bureau

Funded by City of Santa Clara ($1.59M)

Convention Sales & Marketing $954k, Convention Services $143k, Visitor Marketing & Communication $493k

Capital Improvement Projects (e.g. Convention Center Audio System & Hyatt Ballroom carpeting)

Funded by City of Santa Clara ($0)

Convention Center Maintenance District (share common areas landscaping, utilities, parking)

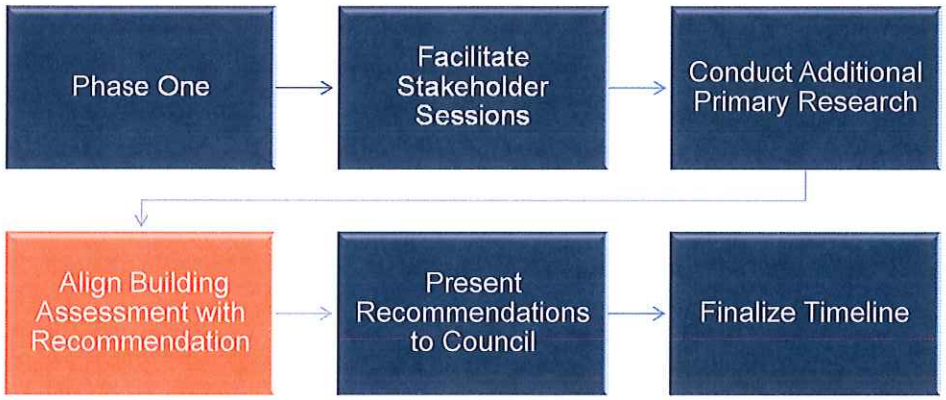
Funded by City of Santa Clara ($610k)

Tourism Improvement District (TID) (Generates $1M)

Funded by an assessment from eight hotels surrounding the Convention Center (allocated $32k to CVB/SCCC)

Net Funded by City of Santa Clara = $1.23M (FY 15/16)

JLL Contract Phase One: Initiate Stakeholders & Recommendation of New Model



29

City of Santa Clara

Phase Two: Development & Implementation of New Model

Subject to City Council Direction

30

City of Santa Clara

JLL Proposed Timeline

- Phase One: May – July 2017 (3 months)
  - Stakeholder outreach meetings (May)
  - Recommendations presented to Economic Development Committee (June)
  - Recommendations to City Council and finalize timeline for phase two (July)
- Phase Two: July– Sept 2018 (approx. 15 months)
  - Based on Council direction of new model
  - Includes presentations to EDC and meetings with City Council

City of Santa Clara

Convention Center & CVB

- May 16 Council meeting (tentative)
  - Convention Center/CVB funding and uses
- June 13 Council meeting
  - Renewal of Annual Operations Contract for CVB
- Property/Settlement Agreement

  Complete Purchase of Convention Center with obligations of the Covenants ,

  Conditions and Restrictions on the Convention Center Complex
- Evaluate the expansion of the the Convention Center and long-term funding options for Capital Improvements at the Convention Center

City of Santa Clara

4/27/17

4Bi

Minimum Wage Community Outreach Plan 2017

- Distribution of two online surveys, one for employers and one for community members, with questions tailored to gather input related to minimum wage rates, regional consistency, and timeline.
- Collaboration with Santa Clara Chamber of Commerce to plan and schedule community engagement and business forum meetings and distribute survey to all member businesses. During the last outreach effort in 2015, a total of eight meetings were scheduled: Three (3) meetings were held by staff in the Council Chambers and five (5) meetings were hosted by the Santa Clara Chamber of Commerce at locations throughout the City. For 2017, it is suggested to host 3-4 meetings in collaboration with the Chamber of Commerce.
- City staff distribution of surveys via:
    - "Open City Hall", a proven effective feedback mechanism and outreach survey tool currently available and utilized through the city's website; it is expected to capture each completed survey response and provide a summary of the results for viewing on the City's website.
    - City's minimum wage web page, http://santaclaraca.gov/minimumwage; a link to the survey and schedule of upcoming community engagement and business forum meetings will be included; the web page currently includes the City's current minimum wage and ordinance, relevant updates and documentation, and FAQ's.
    - Social media blasts through: Twitter, Facebook, Next Door, e-Notify.
    - Mailer to all City registered businesses providing link and QR code that can be scanned and directs responders to the online survey and schedule of upcoming meetings.
    - Mailer distributed to businesses through Silicon Valley Leadership Group or other local organizations with strong outreach/membership of local businesses.
    - Posters to be placed throughout City's municipal buildings, e.g. Utilities Counter
    - Newspaper article/advertisement in Santa Clara Weekly providing link to online survey.
- Continue use of email, minimumwage@santaclaraca.gov, for individuals to submit questions, comments and/or concerns about the proposed minimum wage increase.
- Collaborate/Outreach to other stakeholders e.g. Great America, Aarmark/Santa Clara Convention Center, California Restaurant Association, Silicon Valley Council of Non Profits, Silicon Valley Rising

POST MEETING MATERIAL

4/27/17

4C

AMERICAN LUNG ASSOCIATION. IN CALIFORNIA

State of Tobacco Control 2017 – California Local Grades

SOTC '17 CALIFORNIA LOCAL GRADES

SANTA CLARA COUNTY

	Campbell	Cupertino	Gilroy	Los Altos	Los Altos Hills	Los Gatos	Milpitas	Monte Sereno	Morgan Hill	Mountain View	Palo Alto	San Jose	Santa Clara	Saratoga	Sunnyvale	County Unincorporated
Overall Tobacco Control Grade	B	D	C	F	F	D	F	n/a	C	D	D	B	F	A	B	A
Total Points	8	2	5	1	0	7	1		7	2	4	8	1	11	8	13
Smokefree Outdoor Air	A	C	D	D	F	A	D	n/a	B	C	A	B	F	A	A	A
Dining	4	4	2	0	0	4	0		2	4	4	4	0	4	4	4
Entryways	4	0	0	0	0	4	0		2	4	4	2	0	4	4	4
Public Events	4	0	0	0	0	4	0		3	2	4	2	0	2	4	2
Recreation Areas	4	4	2	4	0	4	4		3	2	4	4	0	4	4	4
Service Areas	4	0	0	0	0	4	0		4	0	4	4	0	4	4	4
Sidewalks	0	0	0	0	0	1	0		0	0	1	0	0	0	1	0
Worksites	0	0	0	0	0	1	0		0	0	1	0	0	1	0	1
Total Points	20	8	4	4	0	22	4		14	12	22	16	0	19	21	19
Smokefree Housing	F	F	F	F	F	B	F	n/a	F	F	F	C	D	C	A	A
Nonsmoking Apartments	0	0	0	0	0	4	0		0	0	0	0	0	1	4	4
Nonsmoking Condominiums	0	0	0	0	0	0	0		0	0	0	0	0	0	4	4
Nonsmoking Common Areas	0	0	0	0	0	4	0		0	0	0	4	2	4	4	4
Nonsmoking Housing Authority	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1
Total Points	0	0	0	0	0	8	0	0	0	0	0	4	2	5	12	13
Reducing Sales of Tobacco Products	A	F	A	F	n/a	F	F	n/a	A	F	F	B	F	A	F	A
Tobacco Retailer Licensing	4	0	4	0		0	0		4	0	0	3	0	4	0	4
Total Points	4	0	4	0		0	0		4	0	0	3	0	4	0	4
Emerging Issues Bonus Points																
Emerging Products Definition - Secondhand Smoke	0	1	0	1	0	1	1		1	1	0	0	1	1	1	1
Emerging Products Definition - Licensing	1	0	1	0	0	0	0		1	0	0	1	1	1	0	0
Retailer Location Restrictions	0	0	1	0	0	0	0		0	1	0	0	1	1	0	1
Sampling of Tobacco Products	0	0	0	0	0	0	0		0	1	0	1	1	1	0	0
Sale of Tobacco Products in Pharmacies	0	0	0	0	0	0	0		0	0	0	0	0	0	0	1
Flavored Tobacco Products	0	0	0	0	0	0	0		0	0	0	0	0	0	0	1
Minimum Pack Size of Cigars	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0
Total Points	1	1	2	1	0	1	1		2	3	0	2	3	4	1	4

Overall Tobacco Control Grade: A (11-12), B (8-10), C (5-7), D (2-4), F (0-1);
determined by grades and points from other three categories -- A (4), B (3), C (2), D (1), F (0)
Smokefree Outdoor Air Grade: A (18+), B (13-17), C (8-12), D (3-7), F (0-2)
Smokefree Housing Grade: A (11+), B (8-10), C (5-7), D (2-4), F (0-1)
Reducing Sales of Tobacco Products Grade: A (4+), B (3), C (2), D (1), F (0)

4/27/17

4C

BREATHE CALIFORNIA

City of Santa Clara Outdoor Dining Public Opinion Survey Results

The following results are from 109 respondents surveyed in the City of Santa Clara:
78% of responders were Santa Clara residents - 14% of non-residents were from nearby cities

1. **How many times in the last month did you dine or eat out at a restaurant in <u>This City</u>?**
   46% - 5 or more times in a month 39% - 2 to 4 times

2. **Have you ever been bothered by tobacco smoke while in an <u>Outdoor Dining area</u> of a restaurant?** **57%** - Yes

3. **What do you usually do when people are smoking in the <u>Outdoor Dining area</u> of a restaurant?** (Note: *Respondents could choose more than one response*)
   - *Nothing, smoke doesn't bother me* 14%
   - ***Ask to sit inside*** **26%**
   - *Complain to restaurant staff* 10%
   - *As the person to stop smoking* 5%
   - *Go to another restaurant* 17%
   - ***Move to another table (outside)*** **49%**
   - ***Leave the restaurant earlier than planned*** **24%**

<u>Survey participants were asked if they **agreed or disagreed** with the following statements:</u>

4. **As long as you are outside, it is not harmful to your health to sit near someone who is smoking.** **72%** - Disagree

5. **Patrons should be able to smoke outdoors at restaurants.** **70%** - Disagree

6. **I prefer to visit restaurants that have non-smoking outdoor dining areas.** **82%** - Agree

7. **A restaurant would attract more customers by having a no-smoking policy in <u>Outdoor Dining</u> areas.** **62%** - Agree 28% Not Sure/No Opinion

8. **I would be in favor of a non-smoking policy in outdoor dining areas in my city?**
   Santa Clara residents - 74% - Agree **Non-Residents 67%** - Agree

<u>Survey participants' demographic information:</u>

9. **Age range** **48%** - 18-44 years 35% - 45-64 years 17% - 65+ years

10. **Race/ethnicity** **56%** - White 19% Hispanic/Latino 13% Asian/Pacific Islander

11. **Gender** **62%** - Female

12. **Tobacco User** **66%** - Never used 25% Former Tobacco User 9% Current Tobacco User

POST MEETING MATERIAL

4/27/17

4 C

The Case for
Smoke-Free Outdoor Dining

For 30 years, Breathe California has been fighting to protect local residents from the dangers posed by secondhand smoke. Secondhand smoke contains more than 250 toxic chemicals and kills about 50,000 Americans annually.[1] While smoking is now banned in most indoor environments, many restaurants still allow smoking in their outdoor patios & dining areas - posing a significant public health risk for employees and patrons alike. But with the help of local leaders, restaurants, community groups and individual residents, we can bring more smoke-free dining areas to our community!

Smoke-Free Outdoor Dining is:

AN ISSUE OF PUBLIC HEALTH

A growing body of evidence shows that exposure to secondhand smoke can pose **serious health risks**, even in outdoor venues. In 2007, Stanford researchers found that people within just a few feet of a person smoking outdoors can be exposed to levels of secondhand smoke that are as high as in homes where smoking is permitted. Over several hours, those levels can **exceed the EPA's standards** for fine particulate pollution.[2]

OVERWHELMINGLY POPULAR

A 2005 survey found that **70.8%** of Californians and **79.8%** of Santa Clara County residents think that smoking should NOT be allowed in restaurants' outdoor dining patios. In addition, 39.1% of self-identified smokers agreed that smoking should be prohibited in outdoor dining patios.[3]

ALREADY BEING IMPLEMENTED

40 cities & counties in California (including Los Gatos) have already passed policies that make 100% of outdoor dining areas smoke-free. **Hundreds of other localities** across the country have also adopted their own policy.[4]

Now's the Time to Act - Learn How You Can Help Make a Difference!

(408) 998-5865
www.lungsrus.org

BREATHE CALIFORNIA

1469 Park Avenue
San Jose, CA

[1] U.S. Surgeon General, *The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General*, 2006
[2] N. Klepeis, et al, "Real-Time Measurement of Outdoor Tobacco Smoke Particles", *Journal of the Air and Waste Management Association*, May 2007
[3] California Department of Public Health/California Tobacco Control Program, C-STATS Website, http://www.cstats.[illegible] accessed March 2009
[4] American Nonsmokers' Rights Foundation, *Municipalities with Smokefree Outdoor Dining Laws*, updated as of April 20, 20009.

POST MEETING MATERIAL

4/27/17

4C

CAMPAIGN for TOBACCO-FREE Kids

1400 EYE STREET, N.W. • SUITE 1200 • WASHINGTON, DC 20005
PHONE (202) 296-5469 • FAX (202) 296-5427

Smoke-Free Laws are Good for Business!

✓Smoke-Free Laws Have No Negative Impact on Restaurants and Bars

- The Surgeon General's Report on *The Health Consequences of Involuntary Exposure to Tobacco Smoke* examined numerous studies from states and local communities across the country. The report concluded that, "Evidence from peer-reviewed studies shows that smoke-free policies and regulations do not have an adverse economic impact on the hospitality industry."

- A 2009 review of the extensive literature on the economic impact of smoke-free workplace laws concluded that smoke-free policies do not have a negative impact on the business activity of restaurants, bars, or establishments catering to tourists (with many studies finding a small positive effect).

- The 2008 *Zagat Survey: America's Top Restaurants* of 132,000 Americans noted that, "The verdict on smoking is overwhelming with 77% of diners saying they'd eat out less if smoking were permitted in local restaurants, and only 2% saying they'd dine out more."

- An in-depth analysis of more than ten years of tax revenue data in California found that the 1995 state smoke-free restaurant law was associated with an increase in restaurant revenues, while the 1998 state smoke-free bar law was associated with an increase in bar revenues

- Data published in 2010 from ten Minnesota cities found that local smoke-free laws had no negative impact on bar and restaurant revenue. This was true for total taxable sales as well as revenue from alcohol sales.

- An April 2005 Harvard School of Public Health study found that Massachusetts' comprehensive smoke-free law did not affect sales or employment in the state's restaurants, bars, and nightclubs after taking effect on July 5, 2004.

- A March 2004 report issued by the City of New York noted that one year after the city's law went into effect, "…the data are clear…Since the law went into effect, business receipts for restaurants and bars have increased, employment has risen, virtually all establishments are complying with the law, and the number of new liquor licenses issued has increased—all signs that New York City bars and restaurants are prospering."

- A study released by the U.S. Centers for Disease Control and Prevention (CDC) found that a comprehensive smoke-free policy in El Paso, TX did not affect restaurant and bar revenue in the year after it took effect in January 2002.

- In October 2010, the Executive Director of the Connecticut Restaurant Association said that the smoke-free law was a big issue for restaurateurs when it was implemented in October of 2003, but that today, "[t]he smoking ban is not an issue at all for restaurants. . . When it first passed, restaurateurs were really nervous that once the ban was put into effect people wouldn't come out to eat and drink, and that's not what happened. Seven years later, customers are really happy to go out to bars and to eat and drink and not be in an atmosphere of smoke."

- Support for New York's smoke-free law has grown even among bar and restaurant owners. James McBratney, President of the Staten Island Restaurant and Tavern Association and initial critic of the proposed smoke-free law, was quoted in the Feb. 6, 2005, issue of The New York Times saying "I have to admit, I've seen no falloff in business in either establishment [restaurant or bar]." According to The Times, "He went on to describe what he once considered unimaginable: Customers actually seem to like it, and so does he."

POST MEETING MATERIAL

4/27/17

4C

GO SMOKE-FREE AS A BUSINESS

WHY SHOULD YOU BECOME A SMOKE-FREE BUSINESS?

It's good for your bottom line and your employees.

- Going smoke-free lowers the risk of fires and accidental injuries, which can reduce your insurance costs. Smoke-free businesses have negotiated for lower fire and property insurance premiums, with some businesses winning reductions of 25% – 30%.
- The American Cancer Society reports that employees who smoke have an average insured payment for health care of $1,145, while nonsmoking employees average $762.
- Smokers, on average, miss 6.16 days of work per year due to sickness (including smoking related acute and chronic conditions), compared to nonsmokers, who miss 3.86 days of work per year
- The U.S. Centers for Disease Control and Prevention (CDC) puts a $3,391 price tag on each employee who smokes: $1,760 in lost productivity and $1,623 in excess medical expenditures. In addition, estimated costs associated with secondhand smoke's effects on nonsmokers can add up to $490 per smoker per year.
- The Building Owners and Managers Association, a national trade group, reports that indoor smoking increases cleaning costs and states secondhand smoke does not belong in buildings.
- Nonsmokers harmed by secondhand smoke at work have won lawsuits and disability claims against their employers under a variety of legal remedies.

SEE HOW GOING SMOKE-FREE AS A BUSINESS AFFECTS THE FOLLOWING:

1. PROFITABILITY ▾

- The Society of Actuaries has determined that secondhand smoke costs the U.S. economy roughly $10 billion a year: $5 billion in estimated medical costs associated with secondhand smoke exposure, and another $4.6 billion in lost wages. This estimate does not include youth exposure to secondhand smoke.
- If all workplaces were to implement 100% smoke-free policies, the reduction in heart attack rates due to exposure to secondhand smoke would save the United States $49 million in direct medical savings within the first year alone. Savings would increase over time.
- Smoke-free laws add value to establishments. Restaurants in smoke-free cities have a higher market value at resale (an average of 16% higher) than comparable restaurants located in smoke-filled cities.

POST MEETING MATERIAL

2. ABSENTEEISM AND LOST PRODUCTIVITY

- The U.S. Surgeon General has concluded that smoke-free workplace policies lead to less smoking among workers and the elimination of secondhand smoke exposure, thus creating a healthier workforce.
- Cigarette smoking and secondhand smoke cost $92 billion in productivity losses annually, according to the U.S. Centers of Disease Control and Prevention.
- Smokers, on average, miss 16 days of work per year due to sickness (including smoking related acute and chronic conditions), compared to nonsmokers, who miss 3.86 days of work per year.
- In a study of health care utilization in 20,831 employees of a single, large employer, employees who smoked had more hospital admissions per 1,000 (124 vs. 76), had a longer average length of stay (6.47 vs. 5.03 days), and made six more visits to health care facilities per year than nonsmoking employees.
- A national study based on American Productivity Audit data of the U.S. workforce found that tobacco use was one of the greatest variables observed when determining worker lost production time (LPT)—greater than alcohol consumption, family emergencies, age, or 2530 (www.no-smoke.org.)
- The study reported that LPT increased in relation to the amount smoked; LPT estimates for workers who reported smoking one pack of cigarettes per day or more was 75% higher than that observed for nonsmoking and ex-smoking workers. In addition, employees who smoked had approximately two times more lost production time per week than workers who never smoked, a cost equivalent of roughly $27 billion in productivity losses for employers.
- The U.S. Office of Technology Assessment estimated that in 1990 lost economic productivity from disability and premature mortality caused by smoking was $47 billion.
- The U.S. Centers for Disease Control and Prevention (CDC) puts a $3,391 price tag on each employee who smokes: $1,760 in lost productivity and $1,623 in excess medical expenditures.10 In addition, estimated costs associated with secondhand smoke's effects on nonsmokers can add up to $490 per smoker per year.
- Smoke-free air will save Scotland £4.2 billion ($7.9 billion) a year, according to a study conducted by Aberdeen University, assessing the costs and savings involved in the Scottish Executive's proposed bill that would make most enclosed public places in the country 100% smoke-free. The report estimates that £1.9 billion ($3.9 billion) of the savings would be in productivity gains, reduced sickness absences, savings on National Health Service treatment and reduced cleaning and decorating costs.

3. MAINTENANCE

- The U.S. Environmental Protection Agency (EPA) estimates that smoke-free restaurants can expect to save about $190 per 1,000 square feet each year in lower cleaning and maintenance costs. The EPA also estimates a savings of $4 billion to $8 billion per year in building operations and maintenance costs if comprehensive smoke-free indoor air policies are adopted nationwide.

- The Organization for Economic Cooperation and Development estimates that construction and maintenance costs are 7% higher in buildings that allow smoking than in buildings that are smoke-free.
- A 1993 survey of businesses conducted by the Building Owners and Management Association (BOMA) International found that the elimination of smoking from a building reduced cleaning expenses by an average of 10%. Smoking was also cited as the number one cause of fires on a BOMA fire safety survey.
- The National Fire Protection Association found that in 1998 smoking materials caused 8,700 fires in non-residential structures resulting in a direct property damage of $60.5 million.
- In a survey of cleaning and maintenance costs among 2,000 companies that adopted smoke-free policies, 60% reported reduced expenditures.
- After Unigard Insurance, near Seattle, Washington, went smoke-free, its maintenance contractor voluntarily reduced its fee by $500 per month because the cleaning staff no longer had to dump and clean ashtrays, dust desks, or clean carpets as frequently.
- Using U.S. Bureau of Economic Analysis data, it was determined that employees who smoke cost businesses in Marion County, Indiana, $260.1 million in increased health insurance premiums, lost productivity, and absenteeism, as well as additional recruitment and training costs resulting from premature retirement and deaths due to smoking.
- At the Dollar Inn in Albuquerque, New Mexico, maintenance costs are 50% lower in nonsmoking rooms.
- Merle Norman Cosmetics Company in Los Angeles voluntarily went smoke-free and saved $13,500 the first year in reduced housekeeping costs.

4. INSURANCE RATES ▾

- The total property and contract loss due to fires caused by smoking materials was more than $10.6 million in 1996. The National Fire Protection Association reports $391 million in direct property damage for smoking related fires from 1993 to 1996. Landlords and restaurants with smoke-free premises have negotiated lower fire and property insurance premiums. Fire insurance is commonly reduced 25-30% in smoke-free businesses.

4/27/17 4C

ANR AMERICANS FOR NONSMOKERS' RIGHTS

Defending your right to breathe smokefree air since 1976

Economic Impact of Smokefree Ordinances: Overview

"Financial impact of smoking bans will be tremendous....Three to five fewer cigarettes per day per smoker will reduce annual manufacturers profits a billion dollars plus per year."
-- Philip Morris, internal document, Bates Nos. 2025771934/1995.

Economic Impact of Legislation

Overview

There has been no serious controversy regarding the economic impact of smokefree laws on private workplaces. Instead, the debate on the economic impact of such laws has centered around the effect that they have on the hospitality industry, particularly restaurants and bars. The tobacco industry has consistently claimed that smokefree laws will lead to a decrease in business, usually 20-30%, with an accompanying decrease in employment. (Gambee, 1991, KPMG Peat Marwick, 1998.) However, there is no reliable independent scientific evidence to support these claims. According to the 2006 U.S. Surgeon General's Report, "*The Health Consequences of Involuntary Exposure to Tobacco Smoke*," adopting smokefree workplace policies is a wise business decision. **The results of all credible peer-reviewed studies show that smokefree policies and regulations do not have a negative impact on business revenues. Establishing smokefree workplaces is the simplest and most cost effective way to improve worker and business health**.

In assessing the economic impact of smokefree policies and laws, the Surgeon General weighed their beneficial effect in reducing health care costs. Using a simulation model, the Surgeon General determined that if all U.S. workplaces implemented a 100% smokefree policy, it would result in "1.3 million smokers quitting, 950 million fewer cigarette packs being smoked, 1,540 myocardial infarctions and 360 strokes being averted, and **$49 million in direct medical cost savings being realized all within one year**." The costs saved would increase over time.

Restaurants and Bars

Early Studies

The first comprehensive study of the effect of legislation requiring smokefree restaurants on restaurant revenues found that smokefree restaurant ordinances do not harm restaurant sales. (Glantz & Smith, 1994.) This landmark study was updated by a 1997 study, which examined fifteen cities with smokefree restaurant laws and fifteen control communities without smokefree laws. The 1997 study also looked at five cities and two counties with smokefree bar laws and similar control cities and counties without such laws. (Glantz & Smith, 1997.)

The Glantz/Smith studies found that the effects of smokefree laws were similar for all types of restaurants, as defined by the kind of alcoholic beverages (if any) served on premises. (Glantz & Smith, 1994; Taylor Consulting Group, 1993.) The 1997 Glantz/Smith study found that smokefree bar laws do not affect revenues. The study relied on data for bars with full liquor licenses; it did not separately analyze the effects on freestanding bars and bars within restaurants. (Glantz & Smith, 1997.)

2530 San Pablo Avenue, Suite J • Berkeley, California 94702 • (510) 841-3032 / FAX (510) 841-3071
www.no-smoke.org • anr@no-smoke.org

POST MEETING MATERIAL

Both analyses were based on sales tax data reported to the California Board of Equalization and the Colorado State Department of Revenue. To account for population growth, inflation, and changes in underlying conditions, the researchers analyzed five ratios:

- Restaurant sales as a fraction of total retail sales.
- Restaurant sales in cities with smokefree restaurant ordinances versus sales in a comparison city with no such ordinance.
- Bar sales as a fraction of total retail sales (1997 study only).
- Bar sales in cities/counties with smokefree bar ordinances versus sales in a comparison city/county with no such ordinance (1997 study only).
- Bar sales as a fraction of all sales by eating and drinking establishments (1997 study only).

The above ratios are a better measure than simply looking at total restaurant or bar sales, as the comparisons help control for quarter-to-quarter fluctuations in the general economy and in the restaurant economy. (Glantz & Smith, 1992.) Any of the ratios would have dropped if the smokefree ordinances had led to a decrease in restaurant or bar sales in the study locations.

According to both studies, smokefree laws generally had no statistically significant effect on any of the ratios. (Glantz & Smith, 1994; Glantz & Smith, 1997.) Smokefree restaurant/bar ordinances are inherently neutral in their effect on restaurant/bar sales.

Dispelling the Myths of Beverly Hills and Bellflower, CA

The 1994 Glantz/Smith study also noted two important findings in the California cities of Beverly Hills and Bellflower, both of which repealed their restaurant ordinances following opposition organized by the tobacco industry:

1. While in effect, neither smokefree ordinance caused a drop in restaurant sales, contrary to tobacco industry claims of up to a 30% decrease. Following repeal, neither city experienced an upsurge in restaurant sales, as would have been expected if the ordinance had depressed restaurant sales; and

2. The Bellflower ordinance was actually associated with a marginally significant increase in restaurant sales during the time it was in effect. (Glantz & Smith, 1994.)

Other Studies Replicate Findings

The Glantz/Smith findings have been replicated by numerous studies. For example, a study conducted at the Claremont Institute for Economic Policy Studies examined restaurant sales tax data in 19 cities, 10 of which have partial restrictions on smoking in restaurants, and 9 of which are 100% smokefree. The study compared restaurant sales in the study cities with those in 87 cities located within a 15-mile radius of the study cities. Researchers concluded that both partial and 100% smokefree restaurant ordinances had no systematic impact on restaurant revenues. They noted that the patterns of effects in ordinance cities were indistinguishable from those of surrounding cities without restaurant ordinances. (Maroney, et al, 1994.)

Independent researchers studying the effect of smokefree restaurant ordinances in Arlington, Austin, Plano, and Wichita Falls, TX (Hayslett and Huang, 2000); Chapel Hill, NC; (Goldstein and Sobel, 1998); Dane County, WI (Dresser, 1999); Flagstaff, AZ (Sciacca and Ratliffe, 1998); Fort Wayne, IN (Styring, 2001); New York City (Hyland, et al., 1999); various counties in New York

State (Hyland, 2002); and communities throughout Massachusetts (Bartosch and Pope, 2002); have all found that these ordinances have no adverse impact on restaurant sales.

Tourism and Conventions

Studies conducted in New York City and Boston, both popular tourist destinations, concluded that neither city experienced a decline in sales following adoption of their early ordinances limiting smoking in restaurants. (Hyland, 1999; Bartosch and Pope, 1999.) Similarly, a study in California, which included the tourist-oriented cities of San Francisco and Los Angeles, found that restaurants, bars, hotels, and tourism were not adversely affected economically following implementation of the state's smokefree workplace and restaurant law. (California Department of Health Services, 1996.) A study comparing hotel revenues and tourism rates before and after passage of 100% smokefree restaurant laws in three states and six cities found that such laws do not adversely affect, and may actually increase, tourism. (Glantz & Charlesworth, 1999.)

In addition to being home to a state university, San Luis Obispo is a popular tourist destination on the California coast. In 1993, the Taylor Consulting Group found that 48% of visitors to the city knew, prior to their current visit, about a city law making all restaurants and bars smokefree, and that smokers and nonsmokers were equally aware of the law. None of the smoking visitors, almost half of whom were aware of the law before visiting, reported ever avoiding San Luis Obispo because of the law. (Taylor Consulting Group, 1993.)

The three Colorado cities of Aspen, Snowmass Village, and Telluride are popular ski resorts, which rely heavily on tourism. None of these cities experienced a drop in sales following adoption of their ordinances. (Glantz & Smith, 1994.) The Aspen Environmental Health Department reported receiving "favorable comments from visitors" about the city's 100% smokefree ordinance. And the city's own survey conducted after an earlier ordinance requiring restaurants to be 50% nonsmoking showed "no negative effect in businesses whatsoever." (Cassin, 1990.)

A 1992 report on convention business found that convention groups would not avoid a jurisdiction merely because it had enacted smokefree legislation. Forty convention groups, representing 174,840 attendees, who met in San Diego in 1991 and 1992, were asked if they would return to San Diego if a smokefree restaurant ordinance were in effect. Only one group, an organization representing 6,000 attendees from the candy and tobacco industries, said that they would not book their convention in San Diego. (Task Force for a Smoke-free San Diego, 1992.)

Consistency of Effects in a Variety of Communities

The Glantz/Smith studies covered a wide variety of communities. The Colorado cities of Aspen, Snowmass Village, and Telluride are popular ski resorts. The California cities include Auburn, a small Sierra foothills community; Anderson and Redding, cities in agricultural areas; Beverly Hills, an affluent urban city; Bellflower, a middle class bedroom community; Davis, a university town; El Cerrito and Martinez, small cities in highly urbanized areas; Lodi, a rural agricultural center; Palo Alto, a large suburban community and home to Stanford University; Paradise, a small semi-agricultural community; Sacramento, a large city and the state capitol; San Luis Obispo, a college town on the California coast; Roseville, a semi-rural bedroom community; and Ross and Tiburon, well-to-do San Francisco Bay communities. The 1997 study also analyzed one rural California county, Shasta, and one suburban California county, Santa Clara. (Glantz & Smith, 1994; Glantz & Smith, 1997.)

Other studies, showing no negative impact of smokefree restaurant laws, have involved cities in such different states as Massachusetts (Bartosch & Pope, 2002) and Texas (Hayslett and Huang, 2000). One study, indicating that 100% smokefree restaurant laws do not adversely affect, and may increase, tourism, involved three disparate states (California, Utah, and Vermont) and six disparate cities (Boulder, CO, Flagstaff, AZ, Los Angeles, Mesa, AZ, New York City, and San Francisco). (Glantz & Charlesworth, 1999.)

These studies demonstrate that the neutral or positive economic effects of smokefree laws do not vary depending on the size, type, or location of the communities in which they are enacted.

General Principles for Analyzing Economic Impact Reports

Because the tobacco industry's studies showing a negative economic impact from smokefree laws are almost always poorly designed, it is important to keep in mind the differences in the methodology of those studies and the scientifically acceptable methodology used in independent studies, all of which show either no negative impact or a positive impact. A quick preliminary assessment of the quality of a study can be made by asking the following three questions:

- Was the study funded by a source clearly independent of the tobacco industry?
- Did the study objectively measure what actually happened, or was it based on subjective predictions or assessments?
- Was the study published in a peer reviewed journal? (Scollo, et. al., 2003.)

In addition, the following guidelines can help in assessing the validity and reliability of a study:

- *Sales tax data is the most reliable measure of sales*. The numbers reflect all restaurant sales in a community, not just those of a small sample of restaurants. Figures are collected using consistent methods by state agencies with no agenda regarding smoking restrictions in restaurants. Tax figures are considered reasonably accurate, because it is a crime to lie when reporting receipts to the state. (Glantz & Smith, 1994.)

- *Anecdotal information and non-random surveys are unreliable sources of information*. Surveys measure restaurant owners' impressions; they generally do not provide data to back up those impressions. (ANR, 1998.)

- *Studies should include data for several years before enactment of smokefree legislation, and for all quarters after enactment*. Many businesses, including restaurants, experience quarter-to-quarter fluctuations in sales, and long-term seasonal patterns. An observed decrease in sales data for one or two quarters may only indicate a typical downward trend in sales that occurs every year. Short-term analyses should be avoided, because it is generally possible to reach any conclusion desired by selectively picking one or two quarters for analysis. (Glantz & Smith, 1994; ANR, 1998.)

- *Figures in a vacuum are not useful*. The analysis should take into account the general economic trends in the jurisdiction, as well as the trends in the restaurant economy in the area. (Glantz & Smith, 1994; ANR, 1998.)

- *The study may have been conducted by a tobacco industry front group*. Many economic impact studies circulated by the tobacco industry were conducted by analysts paid by the industry. To find out whether the analysis was conducted by a researcher or organization

affiliated with the tobacco industry, see the ANR position paper on Economic Impact Studies Circulated by the Tobacco Industry (ANR, 2003) or call ANR.

Economic Impact of Voluntary Workplace Policies

The economic impact of voluntarily eliminating smoking in the workplace relates to the cost savings an employer can expect after adopting a smokefree policy. Costs of smoking in the workplace include costs associated with the effects of smoking on the smoker: higher health and life insurance costs; higher absenteeism among smokers; lost productivity; higher workers' compensation payments; and disability and premature death of smokers. (Kristein, 1983; Marion Merrell Dow, 1991; CDC, 1996.) Eliminating smoking in the workplace will reduce these costs insofar as the prevalence of smoking and the consumption rate of smokers are reduced.

However, secondhand smoke also exacts a toll on nonsmokers in the workplace. An early study estimated that costs associated with the effects of secondhand smoke on nonsmoking employees range from $27 to $56 dollars per smoker per year. (Kristein, 1983.) More recently, the Environmental Protection Agency (EPA) estimated that eliminating exposure to secondhand smoke in most indoor environments would save $35 billion to $66 billion per year (due to premature deaths avoided and reduction in illness). (US EPA, 1994.)

In addition, there are other costs associated with smoking in the workplace, such as increased maintenance costs, which an employer can generally expect to avoid when adopting a smokefree policy. A survey of 2,000 workplaces with smoking restrictions found that 23.3% reported a reduction in maintenance costs. (Swart, August 1990.) Similarly, an analysis by the EPA concluded that implementing smoking restrictions in U.S. workplaces would reduce operating and maintenance costs by between $4 billion to $8 billion each year. (US EPA, 1994.) It has been estimated that, all together, smoking in the workplace increases costs to employers by an estimated $1,300 per year per smoking employee. (CDC, 1996.)

Conclusion

There is conclusive proof that smokefree air laws do not have adverse economic consequences for restaurants and bars subject to them; moreover, there is much evidence that smokefree air laws have a positive effect on the bottom line of those businesses. Further, it is clear that workplaces that have adopted smokefree air policies reap great economic benefits from those policies. In fact, the only negative economic effect of smokefree air laws and policies is on the tobacco industry, which stands to lose billions of dollars in profits when these laws and policies are adopted. To quote Philip Morris, once again:

> ***"If smokers can't smoke on the way to work, at work, in stores, banks, restaurants, malls and other public places, they are going to smoke less. Overall cigarette purchases will be reduced and volume decline will accelerate."***
> **Ellen Merlo, Philip Morris executive, Bates Nos. 2044333814 2044333836, 1/14/94**

REFERENCES

- Americans for Nonsmokers' Rights. Economic Impact Studies Circulated by the Tobacco Industry. Berkeley, California: ANR, 2003.

- Americans for Nonsmokers' Rights. The Economic Impact of 100% Smokefree Ordinances. Berkeley, California: ANR, 2002.
- Americans for Nonsmokers' Rights. What to Look for in an Economic Impact Study. Berkeley, California: ANR, 1998.
- Bartosch, W.J., Pope, G.C. The economic effect of smoke-free restaurant policies on restaurant business in Massachusetts, *Journal of Public Health Management and Practice 5(1): 53-62,* 1999.
- Bartosch, W.J., Pope, G.C., Economic effect of restaurant smoking restrictions on restaurant business in Massachusetts, 1992 to 1998. *Tobacco Control 11(Suppl II): ii38-ii42,* 2002.
- California Department of Health Services, Tobacco Control Section, California's law for a smokefree workplace: Assembly Bill 13 quick facts at a glance. Sacramento. California Department of Health Services, Tobacco Control Section, July 24, 1996.
- Cassin, L.E. Air Pollution Program Manager, Aspen, CO. Personal correspondence. Aspen, Colorado: 1990.
- Centers for Disease Control and Prevention. Assessment of the impact of a 100% smoke-free ordinance on restaurant sales. *Morbidity and Mortality Weekly Report*, 44:370-372, 1995.
- Centers for Disease Control and Prevention. Making Your Workplace Smokefree: A Decision Maker's Guide, 1996.
- Dresser, L. Clearing the air: the effect of smokefree ordinances on restaurant revenues in Dane County, *Madison: Tobacco-Free Wisconsin Coalition,* 1999.
- Gambee, P. Economic Impacts of a Smoking Ban in Bellflower, California. Los Angeles, California: California Business and Restaurant Alliance, 1991.
- Glantz, S.A., Smith, L.R.A. The Effect of Ordinances Requiring Smoke Free Restaurants on Restaurant Sales in California. San Francisco, California: University of California, Institute for Health Policy Studies, 1992.
- Glantz, S.A., Smith, L.R.A. The effect of ordinances requiring smokefree restaurants on restaurant sales in the United States. *American Journal of Public Health* 84:1081-85, 1994.
- Glantz, S.A., Smith, L.R.A. The effect of ordinances requiring smokefree restaurants and bars on revenues: A follow-up. *American Journal of Public Health* 87:1687-1693, 1997.
- Glantz, S.A., Charlesworth, A., Tourism and hotel revenues before and after passage of smoke-free restaurant ordinances. *Journal of the American Medical Association 281(20): 1911-1918,* 1999.
- Goldstein, A., Sobel, R. Environmental tobacco smoke regulations have not hurt restaurant sales in North Carolina. *North Carolina Medical Journal* 59(5): 284-288, September/October 1998.
- Hayslett, J.A.; Huang, P.P., Impact of clean indoor air ordinances on restaurant revenues in four Texas cities: Arlington, Austin, Plano and Wichita Falls 1987-1999. *Texas Department of Health, Bureau of Disease, Injury and Tobacco Prevention,* 2000.
- Hyland, A. Taxable Sales From Eating and Drinking Places Before and After Smoke-free Regulations in New York State. *Buffalo, NY: Roswell Park Cancer Institute,* 2002.
- Hyland, A., Cummings, KM., Nauenberg, E. Analysis of Taxable Sales Receipts: Was New York City's Smoke-Free Air Act Bad for Restaurant Business? *Journal of Public Health Management and Practice*, 5(1):14-21, 1999.
- KPMG Peat Marwick. Effects of 1998 California Smoking Ban on Bars, Taverns and Night Clubs. Washington, DC: American Beverage Institute web site: http://www.abionline.org, 1998.
- Kristein, M.M. How much can business expect to profit from smoking cessation? *Preventive Medicine* 12:358-381, 1983.
- Marion Merrell Dow, Inc. The economic impact of smoking: in the workplace; on cardiovascular health; on wound healing and recovery from surgery; on infants and children; on pulmonary health; on dental and oral health. Medical Information Services, Inc., 1991.
- Maroney, N., Sherwood, D., Stubblebine, W.C. The Impact of Tobacco Control Ordinances on Restaurant Revenues in California. Claremont, California: The Claremont Institute for Economic Policy Studies, 1994.
- Ong MK, Glantz SA, "Cardiovascular health and economic effects of smoke-free workplaces Am J Med 2004; 117:32-38.
- Pope, J. et al. The Economic Impact of Brookline's Restaurant Smoking Ban. Waltham, Massachusetts: Health Economics Research, Inc., 1995.
- Sciacca, J.P., Ratliff, M.I. Prohibiting smoking in restaurants: Effects on restaurant sales, *American Journal of Health Promotion*, 12(3): 176-184, January/February 1998
- Scollo, M., Lal, A., Hyland, A., Glantz, SA. Review of the quality of studies on the economic effects of smoke-free policies on the hospitality industry. *Tobacco Control,* 12: 13-20, 2003.
- Styring, III, W. A study of the Fort Wayne (IN) restaurant smoking ban: has it impacted the restaurant business? 2001.
- Swart, "An Overlooked Cost of Employee Smoking" *Personnel*, August 1990.
- Task Force for a Smoke-free San Diego. The Economic Implications of a Smoke-free San Diego. San Diego, California: Task Force for a Smoke-free San Diego, 1992.
- Taylor Consulting Group. The San Luis Obispo Smoking Ordinance: A Study of the Economic Impacts on San Luis Obispo Restaurants and Bars. San Luis Obispo, California: Taylor Consulting Group, January 1993.

- U.S. Environmental Protection Agency. The Costs and Benefits of Smoking Restrictions: An Assessment of the Smoke-Free Environmental Act of 1993 (H.R. 3434). Office of Air and Radiation. Washington, DC: U.S. EPA, April 1994.
- U.S. Department of Health and Human Services. *The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General*. U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2006.

0608 [PP-05]

4/27/17 4C

Secondhand Smoke

Just The Facts

Tobacco users are not the only ones who breathe its deadly smoke—all the people around them are forced to inhale it too. Secondhand smoke causes more than 42,000 deaths, including more than 7,000 lung cancer deaths among nonsmoking adults each year.[1,2] The total annual costs of secondhand smoke exposure are estimated to be at least $5.6 billion in direct medical costs and at least $6 billion in indirect costs.[3,4] To protect nonsmokers and to reduce the costs associated with treating tobacco-related disease, the American Cancer Society Cancer Action Network (ACS CAN) supports smoke-free air policies that provide 100 percent smoke-free environments.

Exposure to secondhand smoke causes many of the same tobacco-related diseases and premature death as active smoking, including heart disease, stroke, and cancer.

Health Effects of Secondhand Smoke

Secondhand smoke is the combination of smoke emitted from the burning ends of a tobacco product (sidestream smoke) and the smoke exhaled from the lungs of tobacco users (exhaled mainstream smoke).[5] Tobacco smoke contains over 7,000 substances, more than 69 of which are known or suspected to cause cancer.[6] The U.S. Environmental Protection Agency (EPA) has classified secondhand smoke as a Group A carcinogen, a substance known to cause human cancer.[7] Some of the deadly substances in secondhand smoke and the cancers they cause are:

- Arsenic, benzo(a)pyrene, cadmium, chromium, nickel, and NNK → lung cancer
- Nitrosamines → cancers of the lung, respiratory system, and other organs
- Aromatic amines → bladder and breast cancers
- Formaldehyde and nickel → nasal cancer
- Benzene → leukemia
- Vinyl chloride → liver and brain cancer
- 2-napthalymine and 4-aminobiphenyl → bladder cancer
- Lead → liver cancer

Three of the carcinogens -- arsenic, benzene, and vinyl chloride -- are regulated in the United States as hazardous air pollutants. Two of the bladder carcinogens -- 2-napthalymine and 4-aminobiphenyl -- are banned for use in dye manufacturing.[8] Before New York City implemented its smoke-free ordinance, an air quality survey conducted by the New York State Department of Health found that air pollution levels in bars permitting smoking were as much as 50 times greater than pollution levels at the Holland Tunnel entrance during rush hour.[9]

Exposure to secondhand smoke causes many of the same tobacco-related diseases and premature death as active smoking, including heart disease, stroke, and cancer.[10] In addition, secondhand smoke increases the risk for sudden infant death syndrome (SIDS), acute respiratory infections, ear problems, and more severe asthma.[11] Multiple Surgeon General's reports have confirmed that the scientific evidence indicates there is no risk-free level of exposure to secondhand smoke.[12,13]

Exposure to Secondhand Smoke

Thanks in large part to the passage of comprehensive smoke-free laws in many parts of the country, public exposure to secondhand smoke has declined dramatically since the 1980s. Specifically, the proportion of nonsmokers with detectable levels of a secondhand smoke indicator in their bloodstream dropped from 84 percent in 1988-1994 to 46 percent in 1999-2004.[14] However, progress in further reducing exposure to secondhand smoke has stalled. In 2007-2008, the most recent years for which data is available, 40 percent of nonsmokers had a biomarker for secondhand

smoke exposure.[15] While 65 percent of the U.S. population is covered by smoke-free workplace laws, 77 percent are covered by smoke-free restaurant laws, and 65 percent are covered by smoke-free bar laws, less than half of the population (49%) is covered by smoke-free laws in all three venues.[16]

Secondhand smoke affects certain populations more harshly than others. It is an occupational hazard for many workers, including casino, restaurant, bar, and hotel employees. According to a CDC analysis of secondhand smoke exposure in 11 states, the proportion of nonsmoking adults who reported exposure to secondhand smoke in an indoor workplace ranged from 6.0 to 15.8 percent.[17] Blue collar and service employees are more likely to be exposed to secondhand smoke at work and less likely than white collar workers to be covered by smoke-free policies.[18] African-Americans, Hispanics, and Native Americans, in particular, are less likely to be protected under smoke-free workplace policies since they are more likely to work in occupation sectors that enjoy the least amount of protection from smoking in the workplace -- service, hospitality, and labor industries.[19, 20]

- The Centers for Disease Control and Prevention (CDC) has found higher levels of secondhand smoke exposure among African-Americans than for any other race or ethnic subgroup.[21]
- People with incomes below the poverty level are more likely to be exposed to secondhand smoke.[22]
- Black male workers, construction/manufacturing sector workers, and blue-collar and service workers have the highest levels of secondhand smoke exposure.[23]

Children are particularly vulnerable to the effects of secondhand smoke and are more likely than adults to be involuntarily exposed. More than one half of US children (54%) between ages 3-11 are exposed to secondhand smoke, with the heaviest exposure at home.[24]

ACS CAN on Smoke-Free Policies

ACS CAN supports local, state, and federal initiatives to eliminate public exposure to secondhand smoke, including 100 percent smoke-free laws, which are a key way to protect nonsmokers, children and workers from the deadly effects of secondhand smoke. Public concern about the harmful effects of secondhand smoke and the need for smoke-free policies is high. Studies have found that there is strong public support for smoke-free laws among both smokers and nonsmokers.[25 26] This public support -- along with an increasing body of evidence about the detrimental effects of secondhand smoke -- has led many jurisdictions to successfully pass smoke-free laws and ordinances.

Smoke-free laws have produced important improvements that lead to better health. A 2006 nationwide study examining the relationship between smoke-free laws and secondhand smoke exposure found that 12.5 percent of nonsmoking adults living in counties with a smoke-free law covering all workplaces, restaurants, or bars in the county were exposed to secondhand smoke, compared with 45.9 percent of nonsmoking adults in counties with no smoke-free law.[27] This finding was reinforced in an International Agency for Research on Cancer (IARC) review, which revealed that smoke-free laws in high-risk environments (bars, restaurants, and hospitality industry) could lead to as high as 80-90% reduction in secondhand smoke.[28] An ACS CAN study conducted in 2011 found that if the 27 states that lacked comprehensive smoke-free laws were to implement them, over 69,500 premature deaths of non-smokers could be prevented. [29]

Despite tobacco industry claims that ventilation technologies are a good alternative to smoke-free laws, the evidence shows that ventilation is ineffective and costly for businesses to implement. Further, ACS CAN opposes preemptive state legislation that restricts local authorities from enacting stronger local smoke-free laws.

July 2014

---

[1] Max W, Sung HY, Shi Y (2012). Deaths from Secondhand Smoke Exposure in the United States: Economic Implications. *American Journal of Public Health*;102(11):2173-80..

[2] U.S. Department of Health and Human Services (HHS). (2014). *The Health Consequences of Smoking—50 Years of Progress: A report of the Surgeon General.* Atlanta, GA: U.S. Department of Health and Human Services, Center for Diseases Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health. Printed with corrections, January 2014.

[3] Behan, D.F., Eriksen, M.P., and Lin, Y (2005). *Economic Effect of Environmental Tobacco Smoke*. Society of Actuaries: Washington, DC. Available online at http://www.soa.org/ccm/content/areas-of-practice/life-insurance/research/economic-effects-of-environmental-tobacco-smoke-SOA/.

[4] HHS (2014).
[5] U.S. Department of Health and Human Services, Public Health Service, Centers for Disease Control (CDC) (1986). *The Health Consequences of Involuntary Smoking: A Report of the Surgeon General.* Washington DC: Government Printing Office (GPO).
[6] HHS (2014).
[7] EPA (1992).
[8] Repace, J, I. Kawachi and S. Glantz (1999). *Fact Sheet on Secondhand Smoke*. Available online at http://repace.com/SHSFactsheet.pdf.
[9] New York City Department of Finance, New York City Department of Health and Mental Hygiene, New York City Department of Small Business Services, and New York City Economic Development Corporation (2004). *The State of Smoke-Free New York City: A One Year Review*.
[10] National Cancer Institute (NCI). (1999). *Health Effects of Exposure to Environmental Tobacco Smoke: The Report of the California Environmental Protection Agency.* Smoking and Tobacco Control Monograph 10. Bethesda, MD: NCI.
[11] .S. Department of Health and Human Services (HHS) (2006). *The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General.* U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, Coordinating Center for Health Promotion, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health.
[12] HHS (2006).
[13] U.S. Department of Health and Human Services (HHS) (2010). *How Tobacco Smoke Causes Disease: The Biology and Behavioral Basis for Smoking-Attributable Disease*. U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, Coordinating Center for Health Promotion, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health.
[14] CDC (2008). Disparities in Secondhand Smoke Exposure—United States, 1988–1994 and 1999–2004. *Morbidity and Mortality Weekly Report* 57(27): 744–747.
[15] CDC (2010). Vital Signs: Nonsmokers' Exposure to Secondhand Smoke – United States, 1999-2008. *Morbidity and Mortality Weekly Report*; 59(35):1141-1146.
[16] American Nonsmokers' Rights Foundation (2014). Percent of U.S. State Populations Covered by 100% Smokefree Air Laws. July 3, 2014. Available online at http://www.no-smoke.org/pdf/percentstatepops.pdf.
[17] CDC (2009). State-Specific Secondhand Smoke Exposure and Current Cigarette Smoking Among Adults – United States, 2008. *Morbidity and Mortality Weekly Report*; 58(44):1232-1235.
[18] HHS (2006).
[19] U.S. Census Bureau (2000). Current Population Survey, March 2000. Table 11: Major Occupation Group of the Employed Civilian Population 16 Years and Over by Sex, Race and Hispanic Origin. Available online at http://www.census.gov/population/socdemo/race/black/ppl-142/tab11.txt.
20 HHS. Public Health Service (PHS). National Institutes of Health (NIH). National Cancer Institute (NCI). (2000). *Population-Based Smoking Cessation: Proceedings of a Conference on What Works to Influence Cessation in the General Population.* Smoking and Tobacco Control Monograph No. 12. Bethesda, MD: NCI.
[21] CDC (2010).
[22] HHS (2006).
[23] Arheart, K.L., Lee, D.J., Dietz, N.A., Wilkinson, J.D., Clark, J.D., LeBlanc, W.G., Serdar, B., and Fleming, L.E. (2008). Declining Trends in Serum Cotinine Levels in U.S. Worker Groups: The Power of Policy. *Journal of Occupational and Environmental Medicine* 50(1): 57-63.
[24] CDC (2010).
[25] New York State Department of Health (2006). The Health and Economic Impact of New York's Clean Indoor Air Act. New York: New York State Department of Health.
[26] Tang H, Cowling DW, Lloyd JC, Rogers T, Koumjian KL, Stevens CM, Bal DG (2003). Changes of Attitudes and Patronage Behaviors in Response to a Smoke-Free Bar Law. *American Journal of Public Health*;93(4):611–7.
[27] Pickett, M.S., Schober S.E., Brody, D.J., Curtin, L.R., and Giovino, G.A. (2006). Smoke-free Laws and Secondhand Smoke Exposure in US Non-Smoking Adults, 1999-2002. *Tobacco Control* (15): 302-307.
[28] International Agency for Research on Cancer (2009). *Evaluating Effectiveness of Smoke-Free Policies*. IARC Handbooks of Cancer Prevention. Vol. 13. Lyon (France): International Agency for Research on Cancer.
[29] American Cancer Society Cancer Action Network (2011). Saving Lives, Saving Money: A state-by-state report on the health and economic impact of comprehensive smoke-free laws. Available online at http://www.acscan.org/pdf/tobacco/reports/acscan-smoke-free-laws-report.pdf.

4/27/17

What is Smoke-Free Outdoor Dining?

No smoking is allowed in outdoor areas of:

- Restaurants
- Bars
- Cafés

*This encompasses all forms of smoking, including e-cigarettes.

Why is a policy necessary?

A smoke-free outdoor dining policy is necessary due to the harmful effects of secondhand smoke. The consequences can include asthma, cardiovascular disease, heart disease and lung cancer.

Fighting lung disease in all of its forms and working with communities to protect lung health.

BREATHE CALIFORNIA

1469 Park Avenue, San Jose, CA 95126
(408) 998-5865 www.breathebayarea.org

4C

Smoke-Free Outdoor Dining

BREATHE CALIFORNIA of the Bay Area

The Clean Air and Healthy Lungs Leader

POST MEETING MATERIAL

Importance of Implementing a Policy:

- Protect the community from secondhand smoke
- De-normalize smoking
- Provides smokers who want to quit an environment free from any temptation to smoke

---

E-Cigarettes

Contrary to popular belief, e-cigarette aerosol is no less harmful than traditional cigarette smoke.

Additionally, researchers have discovered that this aerosol contains very small metal particles that can get stuck in the lungs.

Other chemicals include:

- Acetone — nail polish remover
- Cadmium — battery acid
- Butane — lighter fluid
- Formaldehyde — embalming fluid
- Benzene — gasoline

California Smoke-Free Dining Laws

California was the first state to implement smoke-free restaurant and bar laws. Many cities across the state have passed policies that make 100% of outdoor dining areas smoke-free.

Let's talk Business...

Smoke-free policies are good for businesses. Studies have found that:

- There are no negative economic effects related to smoke-free ordinances.
- Customers were happier and more likely to come back after these policies were implemented.
- Tourism increases after smoke-free policies are put in effect.

Smoke-free air is good for health and good for business.

Benefits of going Smoke-Free:

- Lower maintenance expenses
- Increase productivity
- Decrease absenteeism
- Increase employee morale

A Note from Breathe California:

In many restaurants, smoking is still allowed in outdoor patios & dining areas - posing a significant public health risk for employees and patrons alike. But with the help of local leaders, restaurants, and individuals, we can bring more smoke-free dining areas to our community!

Resources:

Americans for Nonsmokers' Rights (ANR). www.no-smoke.org

E-cigarettes and Lung Health. (n.d.). Retrieved June 02, 2016, from http://www.lung.org/stop-smoking/smoking-facts/e-cigarettes-and-lung-health.html?referrer=https://www.google.com/?referrer

Maron, D. F. (2014, May 1). Smoke Screen: Are E-Cigarettes Safe? Retrieved June 02, 2016, from http://www.scientificamerican.com/article/smoke-screen-are-e-cigarettes-safe/

Williams, M. (n.d.). Electronic cigarette liquids and vapors: Is it harmless water vapor? Retrieved June 2, 2016, from http://www.trdrp.org/files/e-cigarettes/williams-slides.pdf

4/27/17

4C

Healthy Housing San Mateo County

Benefits of Non-smoking Housing Policies

Don't Let Your Investment Go Up in Smoke!

Save Money

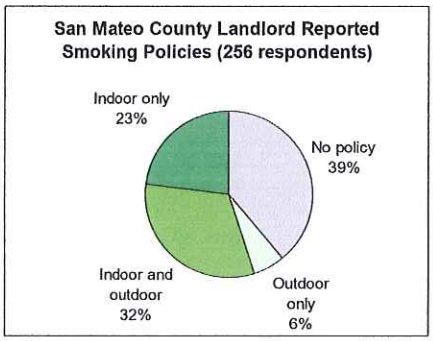
- Making your rental units non-smoking may allow you to save 10% or more on your insurance premiums.[i] Free online advertising is available for smoke-free apartments, saving you even more. [ii]
- Reports indicate that apartment turnover costs can be 2 to 7 times greater when smoking is allowed, compared to the cost of maintaining and turning over a non-smoking free unit. [iii]

High Market Demand

Less than 11 % of San Mateo residents smoke, indicating that the market share is favorable toward smoke- free rentals."[iv]

Properties Already Converting

- A recent survey of 256 San Mateo County property owners indicated broad adoption of some kind of smoke-free policy at their rental properties.



- Those owners who have adopted policies rated reducing fire hazards and improving tenant health as the top two benefits for adopting smoke-free policies.

Decrease Liability

Most tenants find secondhand smoke entering their residence from a neighboring apartment to be an annoyance and a discomfort, but for some it can cause a serious illness. Health conditions and disabilities may worsen with exposure to secondhand smoke. Residents may seek legal action under the Federal Fair Housing Act, requiring reasonable accommodations in their building. [viii] Landlords who ignore the issue of smoking face a growing likelihood of lawsuits.

Average Apartment Turnover Costs

	Non Smoker	Light Smoker	Heavy Smoker
Cleaning	$240	$500	$720
Paint	$170	$225	$480
Flooring	$50	$350	$1,425
Appliances	$60	$75	$490
Bathroom	$40	$60	$400
TOTAL	**$560**	**$1,810**	**$3,515**

*Data reflects surveys from housing authorities and subsidized housing facilities in New England. Collected and reported by Smoke-Free Housing New England, 2009.

In collaboration with the California Apartment Association, a 2011 study showed that the most recently vacated smoking unit **cost the owner an average of $4935 to turn over.** [vi]

It is legal

There is no constitutional right to smoke, therefore it is legal to restrict smoking anywhere on your property as no Federal, State or local law prohibits property owners from implementing a smoke-free policy. [v]

New CA Law Defines Rights

Although it has always been legal for landlords to prohibit smoking in their apartment complexes, SB 332 specifically states that authority in state law, which takes effect January 1, 2012. [vii]

Reduce the Risk of Fires

Smoking significantly increases fire hazard. In fact, reports indicate in 2007 there were 18,900 residential fires in the U.S that were related to smoking materials, costing owners $327 million in property loss. [ix]

POST MEETING MATERIAL

4/27/17

4C

List of Municipalities That Restrict Smoking in Outdoor Dining Areas

AMERICAN LUNG ASSOCIATION. IN CALIFORNIA

THE CENTER for Tobacco Policy & Organizing

February 2017

According to the U.S. Surgeon General, secondhand smoke exposure is harmful at any level. Therefore, many cities and counties in California haven taken steps to protect residents from this danger. Local communities led the way on smokefree indoor workplace laws and are leading the way once again with local laws to protect residents from secondhand smoke exposure in outdoor dining areas. California state law only prohibits smoking in indoor areas of restaurants and bars, and municipalities are not preempted from passing a stronger law to prohibit smoking within outdoor dining areas of bars and restaurants.

There are 146 municipalities in California that have passed ordinances to restrict smoking in at least some outdoor dining areas. The table below lists all of these cities and counties and divides the policies into two categories:

1. Municipalities that restrict smoking in all outdoor dining areas

There are 97 municipalities that restrict smoking in all outdoor dining areas and these policies ensure that all workers and customers are protected from secondhand smoke exposure.

2. Municipalities that restrict smoking in outdoor dining areas but have exemptions for bars or allow for designated smoking areas

There are 49 municipalities that have policies with exemptions for certain types of outdoor dining areas. While these policies provide important protections from secondhand smoke, some workers and customers will continue to be exposed to secondhand smoke.

Other Resources

The Center has other resources on outdoor secondhand smoke ordinances available on our website at: www.Center4TobaccoPolicy.org/tobacco-policy/smokefree-outdoor-areas

To view sample language for drafting outdoor smoking ordinances, please visit ChangeLab Solutions at: www.ChangeLabSolutions.org

POST MEETING MATERIAL

The Center for Tobacco Policy & Organizing | American Lung Association in California
1531 I Street, Suite 201, Sacramento, CA 95814 | Phone: (916) 554.5864 | Fax: (916) 442.8585

County	Restricts Smoking in All Outdoor Dining Areas		Restricts Smoking in Outdoor Dining But Allows Exemptions	
Alameda County	Alameda County Berkeley Dublin Emeryville Fremont Hayward Livermore	Newark Oakland Piedmont Pleasanton San Leandro Union City	Alameda Albany	
Butte County			Chico	Paradise
Contra Costa County	Contra Costa County El Cerrito Lafayette Martinez Oakley	Orinda Pinole Richmond San Ramon Walnut Creek	Concord Pleasant Hill	
Fresno County			Reedley	
Glenn County			Orland Willows	
Humboldt County	Fortuna		Arcata Blue Lake	Eureka
Imperial County	Calexico			
Los Angeles County	Baldwin Park Beverly Hills Calabasas Carson Compton Hermosa Beach Huntington Park La Canada Flintridge Malibu	Manhattan Beach Monterey Park Pasadena San Fernando Santa Monica Sierra Madre South Pasadena Temple City	Agoura Hills Burbank Culver City Gardena Glendale Long Beach Los Angeles West Hollywood	
Marin County	Belvedere Corte Madera Larkspur Mill Valley Ross	San Anselmo San Rafael Sausalito Tiburon	Fairfax Marin County Novato	
Mono County	Mammoth Lakes			
Monterey County			Monterey	
Orange County	Laguna Hills		Laguna Beach	Laguna Woods
Riverside County	Hemet Murrieta	Palm Desert	Temecula	
Sacramento County	Rancho Cordova			
San Bernardino County	Loma Linda			
San Diego County	Carlsbad Chula Vista Del Mar El Cajon	Encinitas National City Oceanside Solana Beach	Coronado San Diego	
San Francisco County			San Francisco	
San Joaquin County			Stockton	
San Luis Obispo County	Morro Bay		San Luis Obispo	
San Mateo County	Belmont Daly City	East Palo Alto San Mateo	Foster City Menlo Park	South San Francisco
Santa Barbara County	Carpinteria		Buellton Goleta	Santa Barbara Santa Barbara County
Santa Clara County	Campbell Cupertino Los Gatos Milpitas Mountain View	Palo Alto San Jose Saratoga Sunnyvale Santa Clara County	Gilroy Morgan Hill	
Santa Cruz County	Santa Cruz County		Capitola	Santa Cruz

The Center for Tobacco Policy & Organizing | American Lung Association in California
1531 I Street, Suite 201, Sacramento, CA 95814 | Phone: (916) 554.5864 | Fax: (916) 442.8585

County	Restricts Smoking in All Outdoor Dining Areas		Restricts Smoking in Outdoor Dining But Allows Exemptions
Shasta County			Redding
Solano County			Fairfield
Sonoma County	Healdsburg Petaluma Rohnert Park Santa Rosa	Sebastopol Sonoma Sonoma County Windsor	Cotati
Tuolumne County			Tuolumne County
Ventura County	Camarillo Moorpark Oxnard	Ventura Ventura County	Ojai Thousand Oaks
Yolo County	Davis		

The Center for Tobacco Policy & Organizing | American Lung Association in California
1531 I Street, Suite 201, Sacramento, CA 95814 | Phone: (916) 554.5864 | Fax: (916) 442.8585

4/27/17

4C

Santa Clara County
PUBLIC HEALTH

BUILDING HEALTHY, SAFE COMMUNITIES
Where people live, learn, play and work

Smoke-free Multi-Unit Housing
Bringing Healthy Air Home

Secondhand Smoke Poses Serious Health Threats to Children & Adults

Frequent and recurring exposure to secondhand smoke (SHS) can cause health problems such as asthma, heart disease, cancer and Sudden Infant Death Syndrome (SIDS), as well as worsen a chronic illness. Children, the elderly, and the disabled are especially vulnerable to exposure of SHS, yet they are the least able to avoid it.

- Secondhand smoke is as a mixture of gases and fine particles that contains at least 250 toxic chemicals, including more than 50 that can cause cancer.
- The US Surgeon General has concluded that "There is no risk-free level of exposure to secondhand smoke." Breathing even a little SHS can be harmful.

www.sccphd.org/tobacco

Visit our website to learn more about what you can do to help promote smoke-free housing.

27% of Santa Clara County residents live in multi-unit housing & close to **one-third (29%)** of those adults reported smelling tobacco smoke drifting into home from nearby apartments or from outside.[1]

Multi-Unit Housing Residents At Risk

The home is a major source of secondhand smoke exposure for both adults and children. While the number of households with voluntary smoke-free rules has gone up over the years, nonsmoking residents are still not adequately protected from the infiltration of SHS into their units.

- Nearly one-third (29%) of adults who live in multi-unit housing in SCC report having smelled tobacco smoke drifting into their homes in the previous week [1]
- The rate of SHS exposure was even higher among Latino adults living in multi-unit housing (39%), those with less than a high school diploma (38%), and adults with household incomes less than $15,000 (36%) [1]

Because people spend a considerable amount of time at home, smoke-free policies in residential settings can significantly protect residents from second-hand smoke.

POST MEETING MATERIAL

Increased Attention and Demand for Smoke-free Housing

Approximately 90% of SCC residents do no smoke, and around 65% of adults in SCC report that no one is allowed to smoke in or around their home. The majority of renters and owners prefer smoke-free housing. [1]

- 94% of SCC apartment residents believe that SHS is harmful to them [2]
- 96% of SCC apartment residents believe that smokers should not be allowed to smoke wherever they want [2]
- 84% of Santa Clara County apartment residents surveyed said that they would support a No Smoking Policy at their multi-unit housing complex [2]
- According to a poll conducted by the American Lung Association, nearly half of California apartment owners and managers have had tenants complain about secondhand smoke drifting into their apartments
- The California Apartment Association (CAA) believes that restricting smoking in a lease is no different than restrictions on noise, quiet hours, pool use, pets and guests – these are all house rules that protect residents and the owner's property

Win-Win Proposition for Residents, Owners & Property Managers

The most effective way to address SHS exposure is to implement policies that restrict smoking within all multi-unit housing units, including common areas, balconies and patios. Many multi-unit housing complexes have gone smoke-free voluntarily, and there are now at least 33 jurisdictions in California, including Santa Clara County, that have adopted a strong ordinance prohibiting smoking in multi-unit housing. By adopting smoke-free policies, cities & communities can:

- Protect residents and employees from secondhand smoke
- Encourage healthy behaviors in residents and employees
- Respond to market demand for smoke-free multi-unit housing
- Reduce turnover costs for new residents
- Lower fire risks and related insurance costs
- Reduce legal actions related to secondhand smoke exposure
- Enhance environmental or "green" initiatives
- Take advantage of new financial incentives

For a full list of California cities & county policies, visit: http://tinyurl.com/qh23coq

To receive a copy of a model smoke-free multi-unit housing ordinance, or obtain additional resources on secondhand smoke and smoke-free multi-unit housing, contact the Tobacco-Free Communities Program at (408) 793-2700 or visit the website at www.sccphd.org/tobacco

Santa Clara County PUBLIC HEALTH

Citations:
[1]Santa Clara County Public Health Department, 2013-2014 Behavioral Risk Factor Survey
[2]Santa Clara County Public Health Department, 2011-2012 Public Opinion Poll

4/27/17 4C

Stanford Report, May 2, 2007

Study confirms the risk of exposure to secondhand tobacco smoke at sidewalk cafes and other outdoor settings

BY MARK SHWARTZ

Tens of thousands of Americans die each year from secondhand tobacco smoke, according to a 2006 report by the U.S. Surgeon General. While the health risks associated with indoor secondhand smoke are well documented, little research has been done on exposure to toxic tobacco fumes outdoors.

Now, Stanford University researchers have conducted the first in-depth study on how smoking affects air quality at sidewalk cafés, park benches and other outdoor locations. Writing in the May issue of the *Journal of the Air and Waste Management Association* (*JAWMA*), the Stanford team concluded that a non-smoker sitting a few feet downwind from a smoldering cigarette is likely to be exposed to substantial levels of contaminated air for brief periods of time.

"Some folks have expressed the opinion that exposure to outdoor tobacco smoke is insignificant, because it dissipates quickly into the air," said Neil Klepeis, assistant professor (consulting) of civil and environmental engineering at Stanford and lead author of the study. "But our findings show that a person sitting or standing next to a smoker outdoors can breathe in wisps of smoke that are many times more concentrated than normal background air pollution levels."

Klepeis pointed to the 2006 Surgeon General's report, which found that even brief exposures to secondhand smoke may have adverse effects on the heart and respiratory systems and increase the severity of asthma attacks, especially in children.

"We were surprised to discover that being within a few feet of a smoker outdoors may expose you to air pollution levels that are comparable, on average, to indoor levels that we measured in previous studies of homes and taverns," said Wayne Ott, professor (consulting) of civil and environmental engineering at Stanford and co-author of the *JAWMA* study. "For example, if you're at a sidewalk café, and you sit within 18 inches of a person who smokes two cigarettes over the course of an hour, your exposure to secondhand smoke could be the same as if you sat one hour inside a tavern with smokers. Based on our findings, a child in close proximity to adult smokers at a backyard party also could receive substantial exposure to secondhand smoke."

Unlike indoor tobacco smoke, which can persist for hours, the researchers found that outdoor smoke disappears rapidly when a cigarette is extinguished. "Our data also show that if you move about six feet away from an outdoor smoker, your exposure levels are much lower," Klepeis added.

The public has become increasingly concerned about the effects of outdoor smoking, Ott noted. More than 700 state and local governments have passed laws restricting outdoor smoking at playgrounds, building entrances and other public areas, according to the American Nonsmokers'

Rights Foundation. Some of the strictest ordinances are in California. The city of Santa Monica, for example, recently banned smoking at parks, beaches, ATM machines, theater lines, open-air restaurants and other outdoor locations.

"Throughout the country, cities and counties are looking at various laws against outdoor smoking, and some of the proposals are pretty drastic," Ott said. "The problem is that until now, there have been virtually no scientific data to justify such restrictions. In fact, our paper is the first study on outdoor smoking to be published in a peer-reviewed scientific journal."

Particulate matter

In the study, the researchers used portable electronic monitors to make precise measurements of toxic airborne particles emitted from cigarettes at 10 sites near the Stanford campus. "We wanted to quantify the potential level of exposure to outdoor tobacco smoke that could occur in everyday settings," Klepeis said. "To do this, we used five different, state-of-the-art instruments to measure secondhand smoke at parks, open-air cafes, sidewalks and outdoor pubs where smokers were present."

Each instrument was calibrated to measure an airborne pollutant known as particulate matter-2.5 (PM2.5), which consists of thousands of microscopic particles that are less than 2.5 micrometers in width—about 30 times narrower than a human hair.

"PM2.5 is a toxic pollutant produced by cigarettes, wood-burning stoves, diesel engines and other forms of combustion," Ott explained. "It contains benzo(a)pyrene, a carcinogen, and many other toxic chemicals that can penetrate deep inside the lungs."

According to the Environmental Protection Agency, exposure to PM2.5 can lead to serious health problems, including asthma attacks, chronic bronchitis, irregular heartbeat, nonfatal heart attacks and even premature death in people with heart or lung disease. The current EPA ambient air standard for PM2.5 is 35 micrograms per cubic meter of air averaged over 24 hours. Levels that exceed 35 micrograms are considered unhealthy "However, since tobacco smoke contains many toxic components, including carcinogens, it may be even less healthy than typical ambient air pollution," Klepeis noted.

Test results

To measure PM2.5 levels in secondhand smoke, the researchers placed the instruments near actual smokers in different open-air environments. "We also performed controlled experiments with burning cigarettes, which allowed us to make precise measurements of PM2.5 levels at different distances," Klepeis said.

The results were clear: The closer you are to an outdoor smoker, the higher your risk of exposure.

"A typical cigarette lasts about 10 minutes," Klepeis said. "We found that if you're within two feet downwind of a smoker, you may be exposed to pollutant concentrations that exceed 500 micrograms of PM2.5 over that 10-minute period. If you're exposed multiple times to multiple cigarettes over several hours in an outdoor pub, it would be possible to get a daily average of 35 micrograms or more, which exceeds the current EPA outdoor standard."

Outdoor tobacco smoke consists of brief plumes that sometimes exceed 1,000 micrograms, Klepeis added. "On the other hand, clean air typically contains less than 20 micrograms of PM2.5," he said. "Therefore, a person near an outdoor smoker might inhale a breath with 50 times more toxic material than in the surrounding unpolluted air."

However, the researchers found that air quality improved as they moved away from the smoker. "These results show what common sense would suggest—when you're within a few feet downwind of a smoker, you get exposed," Ott explained. "But likewise, when you go a little distance or stay upwind, the exposure goes way down. If there's just one smoker, and you can sit six feet away, you would have little problem. At the same time, if there are a lot of smokers nearby, you may be exposed to very high levels of secondhand smoke. So this thing that critics have been dismissing as trivial is not."

Added Klepeis: "If people realize that being near outdoor smokers can result in potentially large exposures to toxic air pollution, they may decide they do not wish to be exposed in a variety of outdoor settings. This realization may lead to an increased number of smoking bans in public locations."

The study also was co-authored by Paul Switzer, professor of statistics and of geological and environmental sciences at Stanford. The research was supported by grants from the State of California and the Flight Attendant Medical Research Institute in Miami, Fla.

RELATED INFORMATION

Study shows that cigarettes can affect non-smokers outdoors
U.S. Surgeon General
Environmental Protection Agency
California Air Resources Board
Action on Smoking and Health