Smoking ban brings burdens and benefits

As Kansas City vote nears, other cities provide insight into effects on businesses.

By LYNN HORSLEY and RUSS PULLEY
The Kansas City Star

Kansas City's April ballot proposal to prohibit smoking in bars and restaurants has prompted the same debate here as in virtually every other city that has weighed or approved such a ban:

Should public health trump business owners' rights?

Few dispute that long-term secondhand smoke exposure is harmful — including for bar and restaurant employees. Advocates of the ban say smokers can simply step outside to indulge their habit, and everyone else benefits.

But Kansas City's restaurant and tavern owners say such policies put them at an unfair disadvantage and could devastate their business.

Academic studies show that some businesses have suffered losses, but the overall economic effect has been minimal.

A May 2006 report by University of Kansas researcher Michael H. Fox found a 4 to 11 percent reduction in revenues for neighborhood and sports bars in some communities, but not for restaurants.

"There is no credible evidence to support the view that smoke-free ordinances will

SEE SMOKING | A4
SMOKING: Cities with bans see mixed outcomes

From A1

harm business at the community level," he wrote.

Yet the debate continues to rage here and elsewhere, because there are still winners and losers in every city.

That's what worries people like Kim Moffatt, owner of Twin City Tavern, just east of State Line on Westport Road. She says that about half her patrons smoke and that a ban could prompt them to stay home or migrate to smoking-friendly bars just a few blocks away in Kansas.

"You take away half our business, we won't survive," she lamented.

Westport property owner Bill Nigro worries about competition even within Kansas City — the new Power & Light entertainment district downtown has an outdoor canopyed area where smokers can congregate with their drinks.

"That living room lounge will be the biggest smoking bar in the city," said Nigro, president of the Kansas City Business Rights Coalition. "We're fighting for our livelihoods."

But Pam Whiting of the Greater Kansas City Chamber of Commerce notes that her organization supports the smoking ban, which could mean lower health-care costs.

"Before we took our position, we got feedback from the small-business council," Whiting said. "Among small and large businesses, their overriding concern was health-care costs and the impact of smoking on health-care costs."

Kansas City voters can look to the experience of several nearby cities and suburbs as they weigh the pros and cons of smoking bans before going to the polls April 8.

Lawrence

Lawrence has prohibited smoking in bars and restaurants since July 2004.

Kathy Bruner, a strong proponent of the law, says 16 new liquor licenses were issued during the first year of the ordinance. Sales taxes for food and drinking establishments continued to increase in the years since the ban began, at rates comparable to before.

But Chuck Magerl, owner of Free State Brewing Co., said that it's still an issue and that he thinks the ban contributed to some establishments going out of business. While he has not had layoffs, he said, his alcohol sales took a bit.

"The ban certainly made operating our business more difficult," he said, adding that he wishes cities would address smoking "in a way that involves the most innovation and creativity, rather than intimidation."

He cited Salina, which restricts smoking in restaurants until 9 p.m., a regulation that is similar to a Kansas City Council measure that took effect March 24. If the ballot measure passes, it will supersede the council measure and half smoking at all times in Kansas City restaurants.

Independence

Since a smoke-free law started in March 2007, restaurants and bars have continued to open and close at about the same pace as before the ban.

Last year, the city issued one new license for a bar and 11 for restaurants that serve liquor, while three bars and eight restaurants closed. The city in 2006 gave licenses to four bars and eight new restaurants serving liquor, while seven bars and four restaurants closed.

Larry Jones, director of the Independence Health Department, said he's heard of only one bar closing due to the law.

Still, owners of several Independence bars say they are on the edge, including RG's, just off U.S. 40 and Blue Ridge Cut off. It's caterscorner from a bar in Kansas City, where smoking is still allowed.

RG's serves food, hires bands for weekends and started a "happy hour" using all the tricks to draw customers.

Owner Randy Houser said his lunch business is holding, but sales from the bar trade are off 30 to 40 percent compared with last year. He's dropped employees, going from 18 to 10.

"It's been a struggle," Houser said. "... If they made it statewide, I wouldn't say a word, because everyone is on a level playing field."

Lee's Summit

Lee's Summit voters approved a comprehensive ban that took effect in December 2006. The overall impact seems small, with a few bars or restaurants closing and others changing owners, said Mike Childs, spokesman for the Lee's Summit Police Department, which issues liquor licenses.

"We've had more open than close, but we are a high-growth community," he said.

Don Roberts, a smoker and an owner of Neighbors Cafe in Lee's Summit, said the smoking ban didn't seem to hurt restaurants serving only food.

"It might have actually helped me a little," Roberts said. "Guests don't sit around drinking coffee and smoking."

But it had an effect on some establishments that serve alcohol, including the 54th Street Grill & Bar.

"What we experienced in Olathe, Lee's Summit and Independence, immediately, was a 10 percent loss in business," said Michael Norsworthy, chief operations officer.

But the chain rebounded by putting in $250,000 climate-controlled patios, which can be heated or cooled, offering a venue for smokers about nine months of the year. "We captured that 10 percent back," Norsworthy said.

Some Lee's Summit bar owners see opportunity, despite the ban. Randy Buhr opened Sharkeez in downtown Lee's Summit this December. He said business has been growing. "People still come in. They go outside to smoke a cigarette and come back in," Buhr said.

Olathe

Olathe's smoke-free regulation took effect in November 2006, but it has an exception
that allows bars and restaurants to convert to private clubs.

Dan Tull, owner of Shooters in Olathe, open 20 years, said that when the city was voting on the ban, he and others begged for the chance to become private.

"Smoking and drinking go together like peanut butter and jelly," Tull said. Because the council allowed him to switch, he said, there's been no effect on his business.

That won't be the case in Kansas City. Assistant city attorney Joe Guarino said that under the ballot proposal, bars can't skirt the ban by calling themselves private clubs.

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BOMBARDIER AEROSPACE | Proposed airplane plant stirs ‘a high degree of enthusiasm’

IT’S A SECOND CHANCE FOR KC

Turns out this week’s news isn’t the first time the Canadian company has pondered KC.

By KEVIN COLLISON
The Kansas City Star

Bombardier Aerospace quietly considered Kansas City three years ago for a potential aircraft plant before shelving the project.

This time, though, economic development officials hope a weak U.S. dollar will help clinch the deal.

Back in 2004 it was dubbed Project Orion, and while the potential deal is now Orion II, the economic benefits remain just as stellar: 2,100 good-paying jobs at a $375 million assembly plant that would land Kansas City in the middle of a global aviation endeavor stretching from China to Northern Ireland.

Missouri lawmakers pushing a state financial aid package to help attract the proposed Bombardier plant predict it will be quickly approved.

“I think you’ll find a high degree of enthusiasm around this project,” said state Sen. Charlie Shields, majority floor leader.

“People hear about Southern states getting car plants and wonder why we’re not in the running. Here’s one that has the same impact, and here’s a chance to get it done. I don’t think it will be a problem.”

But global economic issues involving fluctuating currency valuations and how aircraft are sold ultimately may make the difference in whether Canada-based Bombardier decides to defy political pressure at home and build its new assembly plant south of the border.

“I think at this point you have a fair shot of having a plant in the U.S. because of the dollar issue,” said David J. Pritchard, an expert on global aviation at the University at Buffalo.

“All aircraft are sold in U.S. currency, and with the value of

SEE PLANT | C5
From CI

Kuehl said the U.S. government has decided to forgo its strong-dollar policy of the 1980s and 1990s to encourage exports and make the U.S. more attractive to foreign investors — such as Bombardier. While the dollar may be weaker now than desired, Kuehl said policymakers probably won’t want its value to rise more than 10 or 15 percent above its current value.

Mark Hirshey, a University of Kansas professor who teaches economics and finance, said Bombardier may not be trying to take advantage of the weak U.S. currency at all.

“This may be a move to avoid speculating,” he said. “If you look at the aircraft market, it will largely be in U.S. dollars ... you want to avoid the risk of fluctuation.”

Local officials believe the shift in currency value augments an already favorable view Bombardier had of Kansas City.

Bob Marcusse, president of the Kansas City Area Development Council, was closely involved when Orion first passed through town in 2004.

“I think they appreciated what they learned about Missouri and Kansas City,” Marcusse said. “... We’re delighted they’ve come back to us.”

One of the factors that impressed Bombardier was the success that Harley-Davidson had with its new manufacturing plant in Kansas City.

“They had a lot of meetings at Harley-Davidson and were very aware and appreciative of how that plant changed the structure of Harley-Davidson,” Marcusse said.

The availability of a qualified workforce is impressive to Bombardier, Kansas City could provide substantial cost savings. Bombardier was at a disadvantage, he said, because its revenues are in U.S. currency but its production costs are mostly in Canadian and British currency.

The value of the Canadian dollar is at a 30-year high compared to the U.S. dollar, with the two currencies trading about on par. Five years ago, a U.S. dollar was worth $1.18 Canadian.

So why base a major, long-term investment decision on a currency exchange rate that could prove transitory?

Because it may not be all that temporary, said Chris Kuehl, an economist with Armada Corporate Intelligence. His area firm advises companies including YRC Worldwide, TransSystems Corp. and the Greater Kansas City Chamber of Commerce.

“The perception is that the dollar is going to stay relatively low against world currencies for a relatively long time,” Kuehl said.
no reason to doubt that figure.” Lenk noted Kansas City has maintained a strong manufacturing sector despite the downturn in other parts of the country. An aerospace plant would only add to the city’s reputation.

“This would reinforce we have a role to play in the global economy,” he said.

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The 2008 CED conference will be held Thursday, April 10, in El Dorado with an optional networking dinner on Wednesday, April 9.

The conference will explore community economic development as a journey, not a destination.

Participants will learn what it takes to get a community ready; how to get set through leadership, planning and focus; and how to go forth on a path to success.

This conference is sponsored by the Institute for Policy & Social Research at KU, the K-State Center for Engagement and Community Development and the Kansas Department of Commerce.

The keynote speaker will be Mark Drabenstott, director of the Rural Policy Research Institute (RUPRI) Center for Regional Competitiveness. The University of Missouri and RUPRI created the Center for Regional Competitiveness in September 2006 to be the nation's leading source of information and analytics on regional development in the 21st century.

The center helps public and private leaders in regions craft winning strategies in the global economy. Prior to going to work for RUPRI, Drabenstott was the director of the Center for the Study of Rural America at the Federal Reserve Bank of Kansas City.

Please visit the conference Web site http://www.ipsr.ku.edu/conference/kcced/ for more information.
Each election year, we hear about the importance of values, but nothing speaks louder about a Legislature’s values than how they vote. Last Thursday, the majority of the Kansas House of Representatives sent a clear message about what they value when they passed budget bills 2936 and 2946. Before either bill was introduced on the floor, many important items had been deleted.

Among the items included were appropriations for veterans’ affairs, early childhood initiatives, domestic violence and assault outreach, bio-energy research, programs for the frail and elderly, health initiatives and home- and community-based health programs.

Also included in the cuts were funds for the cyber crime unit, the DARE program and Crime Stoppers.

The argument used to justify these cuts was that we would not have the revenue to cover expenses by 2010 if we did not cut now. Yet, just a week before, the House passed more than $22 million in tax cuts for corporations in Kansas. I supported these business tax cuts on the premise that increased funds from the Expanded Lottery Act would give us the money to fund programs for the people of Kansas. House leadership did not allow these dollars to be considered in the budget process.

As we began to debate the bills, I was encouraged by early amendments. I voted for an amendment to restore funds for the expansion of the KU and Wichita State schools of pharmacy. That amendment was added, but a second amendment failed. It would have allowed bonding authority for the schools of pharmacy to construct facilities, which are a prerequisite for increasing the number of students. This vote meant that the Wichita School of Pharmacy could be established but not built.

Friday, the Wichita Eagle reported that the budget bills were good for Wichita and indicated that I had not supported the programs within. I support many of these programs but could not vote for budget bills that cut so much funding from so many other important programs.

Attempts were made to put back into the budget funding for many of the most important programs, but all of these amendments failed. It was at that point that I decided I could not support the budget. There is still time to get some of the funding reinstated in the “Omnibus Budget,” but it looks to be a long, hard-fought battle.

The bills the House passed on Thursday were not just pieces of legislation. They were a statement of values. While I support business investments and incentives, they can’t be the only things our government is about. Veterans, children, the elderly, the handicapped, educational programs, crime and abuse prevention, and health care also deserve consideration. We will have money from the Expanded Lottery Act, and we should use it for the people of Kansas.

When we are discussing values next October and November, Kansans should remember not what legislators say are the values they believe in but how they act upon them. I hope before the end of the session, the leadership of the Kansas House of Representatives and those who follow will reconsider their actions.

Tax bills pass House

Two tax bills passed the House recently. The first would close a corporate tax loophole used by multi-state corporations and allow the state to lower corporate income taxes for many Kansas corporations.

The second bill would exempt certain non-profit organizations from paying sales tax on purchases. These groups would include councils on aging and senior citizens centers.

House passes election trans-
Recently, the House passed four bills that require more disclosure in campaign finance. These bills were an improvement over existing law because they make it easier to know who funds campaigns, how much they spend and for whom large contributors work.

An amendment to include issue ads that influence campaigns and the groups that run them narrowly missed being added to the legislation. Currently, some groups run issue advertisements during post-primary campaigns that mention a candidate but don’t say “vote for” or mention the office for which the candidate is running. These are not considered campaign ads, and no disclosure of funds or expenses is required, although the ads are meant to influence a campaign.

The organizations that use these ads have argued that forcing them to reveal who is behind the ads, who approves them, and/or who is paying for them is a violation of free speech. According to the United States Supreme Court, freedom of speech extends to being able to speak freely and choosing whether you want to listen. Legal precedent does not extend to secretly influencing the outcome of a campaign.

If a person or group spends money to influence a campaign for public office, who they represent and what they spend should be a matter of public record.

Kansas House protects small and mid-sized schools

Several education bills that would have taken money away from small and mid-sized schools were either defeated or did not leave committee. Here is a rundown of those bills:

• A bill that would have taken away low enrollment funds from school districts of less than 100 students was defeated on the floor of the House.
• A bill that would have taken $2 million from the Cowley County Special Services Cooperative and about $1 million from the South Central Special Education Cooperative died in committee. These cooperatives receive about $8,000 per student. The money would have gone to districts and cooperatives that already get about $13,500 per student.

• A bill that would have taken high density at-risk money from small and mid-sized schools was defeated on the floor of the House. The bill would have given the money to Wichita, Kansas City, and Topeka schools.

A bill was passed that would give school districts a financial incentive if they voluntarily chose to consolidate.

The best way to contact me

Until May 10, the best way to contact me and get an immediate response is to use the following phone number or e-mail address: 1-785-296-7122 or trimmer@house.state.ks.us

During the middle two weeks of April and after May 10, I can be reached at: 221-7146 or etrimmer@cox.net.

Survey results on Web page

In my last legislative update, I put a survey in the paper and also provided an automated form of the survey on my Web page. The results of that survey can be found at:

www.members.cox.net/etrimmer

The survey is still available on the Web site along with my latest newsletter, links to other government officials and agencies and a legislative page to track bills and issues in Topeka.

Electronic newsletter available

If you would like to be on my e-mail newsletter list, please contact me at either of the e-mail addresses in this newsletter. I will see that you get included in future communications. trimmer@house.state.ks.us or etrimmer@cox.net
Chief justice to speak at KU

John Roberts, chief justice of the United States, will give the 2008 Vickers Memorial Lecture next month at the University of Kansas.

Roberts will speak Wednesday, April 30, at the Lied Center. His speech will begin at 6 p.m.

Tickets for his lecture are free and will be available beginning Tuesday at 11 a.m. Tickets may be reserved in person at the Lied Center box office or by calling 785-864-2787.

Roberts' appearance is being presented by the KU School of Business in cooperation with the KU School of Law.

A group of 38 high school seniors from Neosho and Wilson counties will be recognized April 9 as Kansas Honor Scholars by the University of Kansas Alumni Association and KU Endowment. The students will be recognized for their academic achievements at a dinner program at Neodesha High School.

Sarah Blaney, KU Alumni Association assistant director of Kansas programs, will present hardback and CD versions of the American Heritage dictionary to each student. William Crowe, special assistant to the dean of libraries, will be the speaker.

Students to be recognized include Ashlee Brown, Meagan Clabourn, Haley Compton, Kendall Fiscus, Eddie Hedges, Kari Knight and Carissa Rogers, all of Fredonia High School; Jamie Johnson, Dyllan Landry, Erin Railsback, Brittany Rohling, Stevi Schultz and Robert Wilson, of Neodesha High School, and Paul Cranshaw, Dusty Glynn and Brooke Sloan, of Altoona-Midway High School.

Other students include 14 from Chanute High School, three from St. Paul High School and five from Erie High School.

The Kansas Honors program recognizes students in the top 10 percent of their high school senior classes, regardless of curricula, majors, occupational plans or higher-education goals. Community volunteers collect reservations, coordinate details and serve as local contacts for the event. Dennis Depew, of Neodesha, will be the site coordinator, and J.D. and Tonya Cox will be county coordinators for Neosho and Wilson counties.
KU Alumni Group To Honor Students

Students from area high schools will be honored on April 3rd by the University of Kansas Alumni Association and KU Endowment.

A total of 40 seniors from high schools in Barber, Harper, Kingman and Pratt Counties will be recognized for their academic achievements and named Kansas Scholars at a 6:30 p.m. dinner program at Park Hills Country Club at Pratt.

During the ceremony, each student will receive an American Heritage Dictionary in hardback and CD versions, presented by the Alumni Association.

Ron Gieson of Anthony was the Harper County contact for the event. Debra Meisenheimer of Kingman and Charles Holcomb of Cunningham were the Kingman County contacts.

Attending from Chaparral are Cricket Garancosky, Robin Goetz, Sarah Masenthin, Cooper Teel, Heather Watts, Divelv...