



CITY OF KIRKLAND
City Manager's Office
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www.ci.kirkland.wa.us

MEMORANDUM

To: Marilynne Beard, Assistant City Manager

From: Erin Leonhart, Intergovernmental Relations Manager

Date: September 3, 2009

Subject: Draft Response to Wendy Kincaid Regarding Kingsgate Casino

Recommendation

Staff recommends that the Council authorize Mayor Lauinger to sign the attached letter to Wendy Kincaid.

Background

On July 7, 2009 the City Council adopted non-binding legislation (Resolution 4766), which expressed the City Council's intent to allow the continued operation of existing card rooms in the PAA if any such license qualified at that time. The e-mail correspondence from Ms. Kincaid requests clarification about the King of Clubs Casino in relation to Resolution 4766.

From: Wendi Kincaid [mailto:WKincaid@avst.com]
Sent: Friday, August 28, 2009 2:38 PM
To: KirklandCouncil
Subject: Kingsgate New Casino Question

Hi,

I live in the Kingsgate area of Kirkland.

I understand the Caribbean Casino was grandfathered in regarding the potential annexation.

I've been reading the minutes & publications etc.

There is a new Card Room Casino about to open in Kingsgate. King of Clubs Casino.

How does it factor in upcoming annexation if passed?

Will they have to close? Were they previously grandfathered in?

I haven't seen any mention in the minutes of this new club, in regards to the annexation..

Please advise me if you know if this topic will be discussed an when or if you have any further information for me.

I appreciate all that you do, and I'm looking forward to the annexation being approved/passed this November.

Thank you,

Wendi Kincaid

Kirkland/Kingsgate, WA

425-825-7313

Wendi Kincaid

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September 16, 2009

D R A F T

Wendy Kincaid

RE: Kingsgate Casino

Dear Ms. Kincaid:

Thank you for your email to the Kirkland City Council of August 28, 2009. You raise understandable questions about the impact to existing card rooms/casinos in the Potential Annexation Area (PAA) should annexation be approved. I believe the following information will answer your questions.

According to State law, a local jurisdiction's regulatory authority over gambling activity is limited to either strictly prohibiting the activity or allowing the use and imposing restrictions that apply to other commercial activities, such as parking requirements and sign code compliance. Currently, the City of Kirkland prohibits card rooms; however, there is no such prohibition in unincorporated King County.

Earlier this year, the State legislature adopted Engrossed Substitute Senate Bill (ESSB) 5321, which amended the State law. Prior to ESSB 5321's passage, cities that prohibited card rooms were precluded from allowing them to remain open in areas annexed by the city. Now, because of ESSB 5321, a city can choose to allow casinos/card rooms to remain open in an annexed area only if the casino/card room license was issued by the Washington State Gambling Commission before July 26, 2009, the effective date of ESSB 5321. Conversely, a license issued to a card room/casino any time after July 26, 2009 could not remain open after an annexation because it would then be subject to that city's prohibition.

As you may be aware, on July 7, the Kirkland City Council adopted non-binding legislation (Resolution 4766), which expressed the City Council's intent to allow the continued operation of existing card rooms in the PAA if any such license qualified at that time. At the time of the adoption of the Resolution, the only existing house banked card room in the PAA was the Casino Caribbean. A house banked card room is one where players gamble against the casino, not other players.

Since the adoption of the City's Resolution, a new card room in the PAA was licensed by the State. On July 24, 2009, the State issued a license to the King of Club's Casino. Like Casino Caribbean, King of Club's would be authorized to remain open under ESSB 5321 should annexation occur and the City Council decides to allow them to remain open.

Although the City Council adopted legislation signaling its intent to allow existing, licensed casinos/card rooms in the PAA to operate should annexation occur, it has made no formal decision.

Thank you for expressing your concerns. Please visit the City's annexation website at www.ci.kirkland.wa.us/annexation for detailed information and to subscribe to receive email updates.

Sincerely,
Kirkland City Council

By: James L. Lauinger, Mayor