



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us

MEMORANDUM

To: Marilynne Beard, Assistant City Manager

From: Erin Leonhart, Intergovernmental Relations Manager

Date: September 14, 2009

Subject: Draft Response to Sherman and Brooke Stevens Regarding Kingsgate Casino

Recommendation

Staff recommends that the Council authorize Mayor Lauinger to sign the attached letter to Sherman and Brooke Stevens.

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 Sherman and Brooke Stevens requests clarification about the King of Clubs Casino in relation to Resolution 4766.

From: sherman stevens [mailto:shermanlss@earthlink.net]

Sent: Tuesday, September 08, 2009 4:15 PM

To: Webmaster

Cc: KirklandCouncil

Subject: new casino in Kingsgate PAA area

Recently a new casino was advertised to open just northwest of the 124th NE and NE 144th intersection, west across the street from the Kingsgate Safeway. Since the already existing casino was to be "grandfathered" in why do they believe that they will be allowed to operate if the annexation goes through? We would hope that they would be closed down or better yet not even allowed to open. There was no notice of Planned Use Action posted. There was no indication that a casino was to go in there, and the building was completed and empty for a while. We already have a casino in the area. We, as well as many of our neighbors did not realize that the first casino was operating until we saw the sign placed. We do not want any casinos in our area. They devalue the it. Why do good people have to take money from bad sources (taxes). A casino is a bad source. We don't see any of the homes for sale noting on their listing that they are within walking distance of the local casino. We do not like them in our area any better than the business owners in the core area of Kirkland. They must be considered a blight on the area by those individuals since casinos are not allowed within the Kirkland city limits. We have emailed Bob Ferguson our King County representative but have not gotten a return reply. We would appreciate a reply and perhaps some direction on what further that can be done to prevent this casino from opening.

Thank you,

Sherman and Brooke Stevens
Kingsgate 3 and 4 homeowners

October 7, 2009

DRAFT

Sherman and Brooke Stevens

RE: Kingsgate Casino

Dear Mr. and Ms. Stevens:

Thank you for your email to the Kirkland City Council of September 8, 2009. You raise understandable questions about the impact to existing card rooms/casinos in the Potential Annexation Area (PAA) should annexation be approved. We 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 Clubs Casino. Like Casino Caribbean, King of Clubs would be authorized to remain open under ESSB 5321 should annexation occur and the City Council decides to allow them to remain open. Now that the July 26, 2009 deadline has passed, no additional casinos would be eligible for grandfathering after annexation under ESSB 5321.

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