

Public Comments

April 13, 2016 to May 3, 2016

## Griffin, Tina (GMB)

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**From:** Marv Galante <marv@music-vend.com>  
**Sent:** Tuesday, May 03, 2016 9:36 AM  
**To:** Griffin, Tina (GMB)  
**Subject:** RE: Notice of Permanent Rules for the Operation of Group 12 Amusement Games  
**Attachments:** WSGCSTTG.pdf

Tina,

Attached is a collection report from a bar in East King County.

Also I have included a Seattle Times article on bars in the Seattle area. The sum of the article is that the "Dive" bars are an endangered species because of the escalating real estate values, rents and demographic changes. As you are well aware our industry operates in these types of locations and it has been challenging at best.

With regard to the collection report the following are significant facts:

- 1) This is a three week collection period.
- 2) The merchandise prizes dispensed total \$518.
- 3) The net amount for location is \$49. For our company the net amount is \$577-\$518= \$59.
- 4) Players like to play the machine, The bar (and ourselves) are not satisfied with the net proceeds considering the legwork and merchandising involved.

We still think we can make something of the Group 12 category with just a few tweaks and points replay on the machine. For this machine it is true we have a third party card offering. But no cash is being dispensed and those items are not popular. We are dispensing mostly food and beverage, collectibles and Golf video game promo cards.

Anyway just thought you might want to see a real test under the intent of the original rules.

Marv Galante  
*ASI/Music-Vend Dist. Co. LLC*  
2710 1<sup>st</sup> Ave So.  
Seattle, WA 98134

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**From:** Griffin, Tina (GMB) [<mailto:tina.griffin@wsgc.wa.gov>]  
**Sent:** Wednesday, April 20, 2016 4:29 PM  
**Subject:** Notice of Permanent Rules for the Operation of Group 12 Amusement Games

Dear Stakeholder,

We appreciate your involvement in the rule-making process. The attached statement is provided to anyone who gave comment about the proposed rules.

Sincerely,

*Tina Griffin*  
*Assistant Director*  
*Licensing, Regulation, and Enforcement Division*  
*Washington State Gambling Commission*  
360-486-3546

NELSON & MICHAEL

TWIN DRAGON  
#8706

Last Collected: 03/29/2016

5/3/16 In: 07:50 Out: 07:51  
Document #236361

7 machines in location

80001610 BIG BUCK WORLD	\$0.00
80001696 GOLDEN TEE LIV	\$0.00
70000840 SILVER STRIKE	\$0.00
Commission	\$-4.00
<i>EXPENSE</i>	<i>\$10.25</i>
80001655 THE SOPRANOS	\$0.00
80001600 MERIT AURORA	\$0.00
80001754 OLYMPIC SKILL	\$626.00
Commission	\$53.00
<i>MERCHANDISE</i>	<i>\$518.00</i>
Meter 1	444 999818
00008093 TOUCHTUNES OVA	\$0.00

TOTALS FOR LOCATION

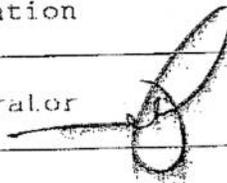
Collected	\$ 626.00
Taxes	\$2.50
Refunds	\$0.00
Expenses	\$528.25
Expenses Take Home	528.25
Expenses To Loc	0.00
For Plush	\$0.00
Cmsn Earned \$	49.00
Advances	\$0.00

Take Home \$ 577.00

PAY TO LOCATION \$ 49.00  
(Commission + Refunds +  
Loc Expenses Reimb)

Location

Operator





Lifestyle

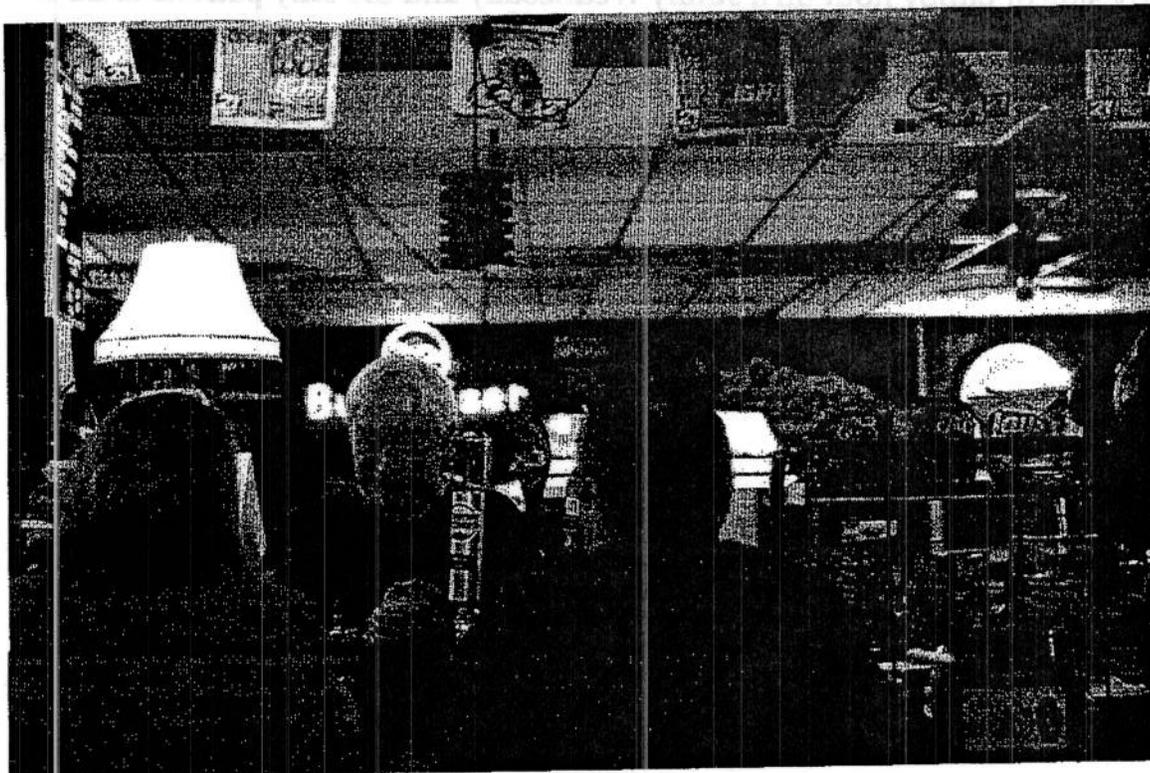
**BREAKING NEWS**

Ballard Bridge closed due to technical issues; use alternate routes

# Seattle's dive bars are becoming an endangered species



Originally published April 15, 2016 at 6:00 am Updated April 18, 2016 at 12:38 pm



1 of 4 Owner Ed Warrington talks with Amanda Knight and Rob Morrow at the bar at Ed's Kort Haus in Phinney Ridge. (Lindsey Wasson/The Seattle Times)

**Dive bars are sort of an indicator species. In Seattle many quirky neighborhood joints have closed, including 30 of the 100 featured in the 2009 book "Seattle's Best Dive Bars."**

By Bob Young

Seattle Times staff reporter

It's the early side of happy hour on a sunny Wednesday and the only patrons at Ed's Kort Haus are regulars.

Greg Waas goes all the way back to 1972. Paul Stover, a few stools down, started hanging in 1996 and met his wife here. Both live within walking distance of the 65-year-old Phinney Ridge bar. They don't come for Ed's cocktails or exotic meats, though the menu includes kangaroo, gator and more.



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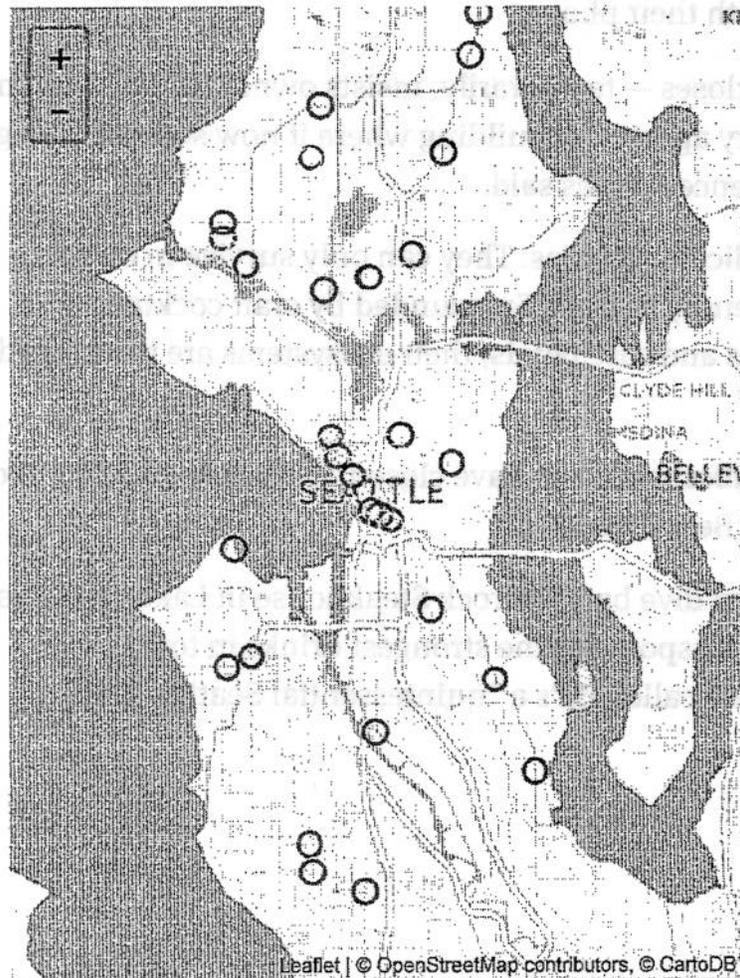
The main attraction is simplicity, familiarity, camaraderie. You can spend a few hours here and not see anyone fiddle with their phone.

But what will they do when Ed's closes — temporarily, insists owner Ed Warrington — while developers build a four-story apartment building where it now stands? “I’m going to Ed’s house for its terrible ambience,” Waas said.

Seattle dive bars are sort of an indicator species. They can only survive in certain environments, nourished by a friendly habitat. Surrounded by craft cocktails and microbrews featuring oyster shells and rose petals, their ecosystems are threatened like never before.

One after another, longtime neighborhood bars have closed, including 30 of the 100 in Mike Seely’s 2009 book “Seattle’s Best Dive Bars.”

The fallen include Seely’s top-rated dive bar (Rimrock Steakhouse in Lake City), his best biker bar (Alki Tavern), and the spot with the strongest drinks in town (Wallingford’s Moon Temple). Seely called Ed’s a “quintessential Seattle dive.”



### Disappearing Dive Bars

Thirty of the 100 bars in Mike Seely's "Seattle's Best Dive Bars" have shuttered since the book's 2009 publication.

Select one to filter:

All 100 dive bars

Open bars

Closed bars

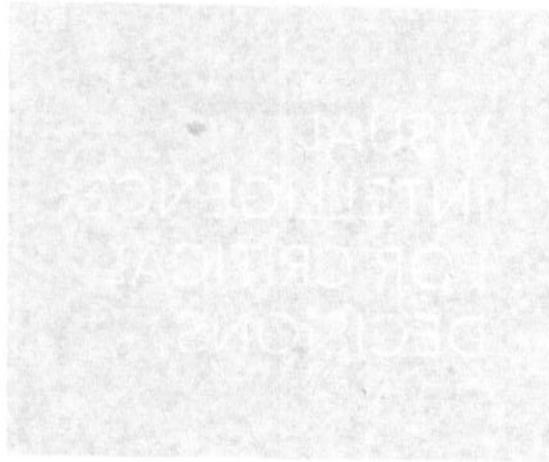
Sources: "Seattle's Best Dive Bars" and reporting by The Seattle Times

GARLAND POTTS / THE SEATTLE TIMES

Lost in each closure is some community. "The dive-bar scene was your social-media site before Facebook and all that stuff was out. It's what you did, where you went to check in," said Gill McLynne Jr., 33, who managed the Alki for his parents in its last years.

The Alki closed in 2013 after its property and adjacent ones were bought by foreign investors. Its fate was probably inevitable, given its unobstructed view of Puget Sound.

Don't expect a replacement to pop up in West Seattle. Neighborhood taverns that serve only beer and wine, like the Alki, "just aren't happening anymore," said the senior Gill McLynne, the Alki's owner for 37 years. "It's just the demographics."



Not all of the shuttered dive bars were victims of gentrification. At the Viking Tavern in Ballard, the owners weren't so much forced out as they opted to cash in.

As owner Tim Cannon explains it, change was destined for the Viking's corner of Ballard, at 6404 24th Ave. N.W.

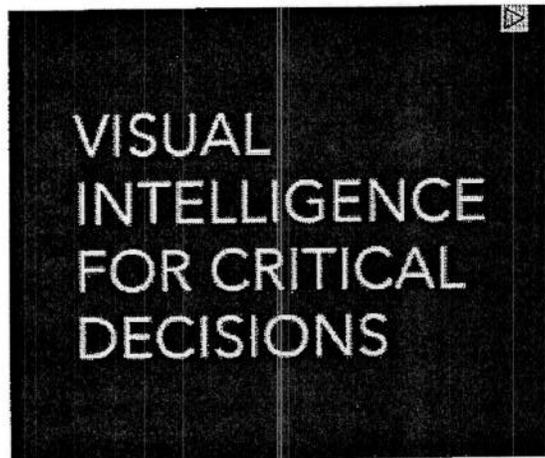
Zoning allowed for a six-story building. Ballard's residents were becoming younger, more affluent, more transient, more likely to rent than own a house. And Cannon, 69, was poised to retire. Selling the Viking to local developer Bill Parks, who built loft-style apartments at the site, amounted to a pension plan for Cannon and his wife, Peggy.

It's doubtful, though, that Ballard will see another bar that sells fresh eggs to go from a farm in Brier.

## **Lack of pretension is key**

What makes a dive bar?

They can have many characteristics, according to Seely. Some are shabby and stained and flip the bird to fashion. Others appear unwelcoming, or suspicious of newbies. Still others are marked by simple fare and prices that seemingly haven't changed in years.



“What they have in common aren’t so much attributes, but a state of mind,” Seely wrote, “you just know when you see one.”

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Beef tenderloin gets a tweak for Passover

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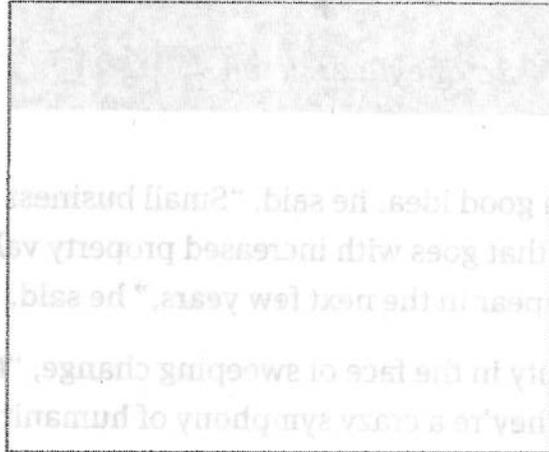
He said he doesn’t associate dive bars with “particularly negative drunken behavior.” For Cannon, a dive bar — which he prefers to think of as a neighborhood watering hole — is defined by its lack of pretension. As his father, a bar owner in Florida, told him: “There’s nothing more personal than taking gold and silver out of someone’s pocket and putting food and drink in their mouth. You know right away if it’s a fair deal and you’ll come back,” he said.

Just what makes for a place worth saving in the face of ravenous market forces may be a question for City Hall.

Voters in San Francisco — Seattle’s political guide star — last year approved Proposition J, which creates subsidies to preserve “legacy” businesses. Those are

defined as having been around for at least 30 years and contributing to a neighborhood's history or identity. They can't have more than 100 employees.

Prop. J offers up to \$500 per full-time employee. Landlords can qualify for up to \$22,500 in grants if they sign a 10-year lease with a legacy shop. These annual subsidies could cost \$3.7 million in the measure's first year, according to the city controller, and grow to \$94 million annually in 25 years.



Qualified applicants are nominated and approved by city officials.

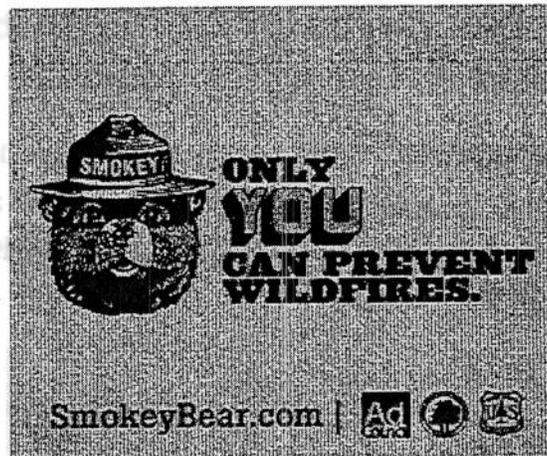
Prop. J was fueled by evictions of cherished bars and restaurants, said Seely, former editor of the Seattle Weekly. He thinks something similar may be needed in Seattle.

Seattle law allows for preserving landmark buildings. "But you can't landmark use," Seely said, recalling a loud 1989 battle to save the Blue Moon. Open since 1934, the University District bar claimed a rich history as a hangout for writers; author Tom Robbins called Pablo Picasso's house — collect — from the Blue Moon one night in the late 1960s.

But city law would only protect the building, not the bar.

"That gets sticky. You can't say this location is going to be a bar forever," Seely said. "So you've got to look at ways to incentivize property owners to keep cafes, bars or stores when rents are dramatically rising."

Blue Moon owner Gus Hellthaler, 67, said he's in the process of selling the bar and expects to wrap the deal in May. The Blue Moon's lease runs until 2034, Hellthaler said, and the buyer, whom he declined to name, wants to keep it as is.



The San Francisco law is a good idea, he said. “Small business have absolutely no chance of paying the rent that goes with increased property values. Anything pre-1950s in Seattle is likely to disappear in the next few years,” he said.

As people crave authenticity in the face of sweeping change, “these places are so important,” Seely said. “They’re a crazy symphony of humanity you can’t get in newer, more buttoned-down places.”

## Determined to reopen

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Back at Ed’s, a dart league is under way, the Stones rock the jukebox, and the crowd has filled out with younger customers.

Warrington said he grew up a “project rat” in White Center and bought the bar 35 years ago when he got out of the Army. He’s managed to hold on to it through a heart attack, two divorces and shifting trends. (In the 1990s, he said, he had a standing rule that cellphones weren’t allowed “because only cops and drug dealers had them.”)

His lease protects and all but guarantees Ed's future at North 68th Street and Greenwood Avenue North, he said. Although he expects to take a year off during demolition of the bar and construction of the 57-unit Phinney Flats, Warrington says he will reopen and "we're going to keep some of the character."

But it won't be the same timeworn space. It will be bigger. Tobacco-stained tiles that have lined the ceiling for decades will get cut up and hung over the bar, he said, like artifacts. Warrington, 67, won't be bartending seven days a week. He hopes to be more like a manager.

Gill McLynne, the Alki's owner, has retired to Belfair with his wife, Cathy. (The two met because she was on a softball team sponsored by the tavern.) He doesn't get to Seattle much these days, but if he were to have a beer in the city it would likely be in Georgetown, he said.

"Georgetown has bars that have the feel that old bars used to — but in a sneaky way. They're a bit more upscale. They run them with \$5,000 cash registers," he said, pausing and adding, "there's nothing wrong with a shoe box."

*Material from The Seattle Times archives is included in this report. Bob Young: 206-464-2174 or byoung@seattletimes.com*

## Griffin, Tina (GMB)

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**From:** Jay Gerow <jayg@zdigaming.com>  
**Sent:** Thursday, April 21, 2016 12:29 PM  
**To:** Griffin, Tina (GMB); Considine, Brian (GMB)  
**Subject:** follow up

Tina/Brian,

I wanted to follow up with our conversation from Tuesday. While I appreciate the fact that you feel the Commissioners are not going to repeal Group 12 at the upcoming May 12th meeting because of all the work they've had staff do to this point, it still seems unjust that you are forcing licensees to purchase new annual \$250 ID stamps to keep machines in operation.

We have already purchased the original annual stamp as was required, which should be valid through the year as all other stamps are. Just because the agency has changed the rules so as to eliminate or make Group 12 machines not viable does not mean we should have to pay a new fee for a new class of stamp part way through the year. This is just another means of trying to make Group 12 not viable by adding another expense.

Stakeholders had agreed to the fee increase when Option B was on the table for consideration and there was open and transparent dialogue going on between staff and stakeholders. After Option B was taken off the agenda and the transparency started to go away and Option A was all or nothing stakeholders were not in favor of a fee increase. It was however rushed through at the March meeting even though we asked it to be held over and discussed with the rest of the rules packages pertaining to Group 12.

There is no guarantee that the Commissioners will not repeal Group 12 at the May meeting especially with the comments and grandstanding made by Ex-Officio member Representative Hurst with his threats of a repeal. So it seems both disgraceful and senseless that the agency is willing to take enforcement action against licensees if they have not purchased the new non refundable stamps, when a decision to repeal Group 12 could be handed down 2 weeks after accepting licensees money for said stamps.

Thank you,

Jay Gerow  
ZDI Gaming Inc.  
2124 196th St. SW  
Lynnwood, Wa 98036

(425)775-7991 office  
(425)775-8433 fax

## Griffin, Tina (GMB)

**From:** Dallas Burnett <Dallas.Burnett@muckleshoot-tga.org>  
**Sent:** Monday, April 18, 2016 4:08 PM  
**To:** Griffin, Tina (GMB); Trujillo, Dave (GMB); Hunter, Amy (GMB)  
**Subject:** Group 12 Rules Proposal and Questions  
**Importance:** High

I have been trying to sort through the rules proposed and passed for Group 12 and have a few questions:

1. Was a rule passed or modified (either WAC 230-13-150 or other) that would expand the locations? (RCW 9.46.0331 allows for businesses whose primary activity is to provide food services offering family entertainment)
  - a. The rules do not seem to allow amusement games in taverns (primary activity is drink not food and no family entertainment, just adult)
2. Does WAC 230-13-120 apply to Group 12?
3. Does WAC 230-13-080 apply to Group 12?
  - a. If so would it not have been better to modify this rule rather than inclusion of (1) in WAC 230-13-067?

I would propose the following changes

### WAC 230-13-080

#### **Operating coin, cash or token activated amusement games.**

(1) Coin, Cash or token activated amusement games must have non-resetting coin-in meters, certified as accurate to within plus or minus one coin or token in one thousand plays, which stop play of the machine if the meter is removed or disconnected when operating at:

- (a) Amusement parks; or
- (b) Regional shopping malls; or
- (c) Movie theaters; or
- (d) Bowling alleys; or
- (e) Miniature golf course facilities; or
- (f) Skating facilities; or
- (g) Family sports complexes.

(i) A "family sports complex" is a facility, at a permanent location, to which people go to play sports. A family sports complex must offer multiple sports activities, such as indoor soccer, outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling and the gross receipts must be primarily from these sports activities.

(ii) A family sports complex does not include a facility owned or operated by a school or school district; or

(h) Amusement centers; or

(i) Restaurants; or

(j) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these. A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas.

**(k) Bars or Taverns. A "Bar or Tavern" means a business that offers alcohol to adult patrons as a primary activity**

(2) All coin or token activated amusement games must have a coin acceptor capable of taking money for one play and may have an additional acceptor to include paper money.

**(a) Devices that have the ability to disclose the prizes for more than a single play may accept a denomination equal to the number of plays the device can disclose.**

**(b) Devices that require a player to interact with the device to disclose a prize must promptly display how the player may see the prizes available prior to the insertion of money.**

(3) Operators using amusement games that do not return change must have a change-making bill acceptor or the ability to get change in the immediate vicinity of such games. All amusement games using paper money acceptors must either:

(a) Return change; or

(b) Clearly disclose to players before play that change is not returned and disclose to them where at the location they may get change.



Dallas Burnett  
Assistant Executive Director  
Muckleshoot Tribal Gaming  
Dallas.Burnett@muckleshoot-tga.org  
253-804-4444 x1404



April 13, 2016

Commissioner Chris Stearns  
Washington State Gambling Commission  
PO Box 42400  
Olympia, WA 98504

Dear Chair Stearns,

I am writing to express my concerns with the Gambling Commission's decision last summer to expand the "amusement games" concept to the so-called Group 12 series of gaming devices. I have reservations about the impacts these games may have on state and local revenues, the fairness and accuracy of the games, and the idea of allowing convenience gambling in Washington State.

The State Legislature has authorized amusement games as a social pastime only, not for gambling, and those games must demonstrate that outcomes depend upon a material degree of skill to successfully complete. They must also award only merchandise and not cash to "winners". It is my understanding that Group 12 games do not meet these criteria and instead more closely resemble traditional slot machines, with minimal skill required. And it is worrisome that many businesses are substituting gift cards in place of hard merchandise, allowing customers to buy nominal items and then cash out the remaining value, sometimes worth hundreds of dollars, further blurring the line between amusement and gambling games.

Further concern stems from the lack of state testing of these machines, which include random number generators and game sets, to determine that they meet standards of fair play. We should not be subjecting our constituents to possible losses due to our negligence in oversight.

In addition, given the slow recovery of state revenues since the Great Recession, it is vital that we understand the impacts of this type of gaming on the Lottery, which funds critical state programs. Losses to state funds have direct corollary impact on local dollars and in a time when funding for homelessness, mental health and education is reaching crises points we should not be risking diverting dollars from state coffers.

Given that a larger conversation regarding expanding into convenience gambling has yet to take place either within the legislature or with the public, and that the significant policy and fiscal impacts of such expansion is not fully understood, it would seem proper for the Commission to rescind their authorization of Group 12 games until a more thoroughly vetted policy making

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process can be completed. I urge the Commission to withdraw their authorization and allow the legislature to consider fully the implications of allowing the use of these games.

Sincerely,

Edward B. Murray  
Mayor, City of Seattle

Commissioner Chris Stearns  
Washington State Gambling Commission  
PG Box 43400  
Olympia, WA 98504

Dear Chair Stearns,

I am writing to express my concerns with the Gambling Commission's recent proposal to expand the "amusement games" concept to the so-called Group 12 games or "winners". It is my understanding that Group 12 games do not meet these criteria and instead more closely resemble traditional slot machines, with minimal skill required. And it is worrisome that many businesses are substituting gift cards in place of hard merchandise, allowing customers to pay minimal taxes and then cash out the remaining value, sometimes worth hundreds of dollars, further blurring the line between amusement and gambling games.

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