

# 35 Years and Counting: The Story of Pinball Pete's





by Randy D Pearson

Not many businesses can claim 35 years of service. It is especially impressive when you consider this business is all about arcade games and pinball machines, in the era of powerful home consoles.

Pinball Pete's has been around, in one form or another, since 1977. Today, there are two locations. The 4000 square foot East Lansing, Michigan store opened in 1979, within walking distance of the Michigan State University campus. The much larger Ann Arbor store moved into its current location, across from the University of Michigan, in 1996. It boasts 12000 square feet of gaming goodness, and in 2007 was voted one of the five coolest arcades in America by Tips and Tricks Magazine.

Both locations have much to fulfill customers' gaming desires, including both classic and new arcade games, pool tables, air hockey, redemption games like skee ball, and of course pinball machines.

Originally owned by the three Arnold brothers, Tim, Tom, and Ted, (and Mike Reynolds, a business partner and childhood friend), Ted and Mike bought out the elder brothers in the 1990s.

I sat down with Ted Arnold to talk about the history of Pinball Pete's, and reminisce about the glory days.

### **Let's start at the beginning. How did Pinball Pete's come into existence?**

**Arnold:** It started in my parents' garage (when I was eight years old). My brothers (Tim and Tom, both teenagers) and I loved to play

pinball, so instead of spending money playing, we pooled our resources and bought our own used Gottlieb Mayfair pinball machine, and put it in the garage. We fixed it up, and got to know it inside and out.

Pretty soon, all the neighborhood kids would start coming around after school, spending money. After a short time, we had enough money to buy another machine. Then we bought a candy machine,



and then a pop machine. Pretty soon, we had a little store going in our garage. It wouldn't be uncommon to see 20 bicycles in our driveway after school.

That went on for a couple years. Then the wonderful city of East Lansing came along, knocked on the door, and said, "We hear you're running a business in a residential area." The city gave us 90 days to cease and desist. "Otherwise, we'll have to do

something, because you're violating city ordinances." At this point, my brothers were out of high school. So, we borrowed \$1000 from our mom and dad, and opened an arcade in (the small city of) Mason, in 1977.

This location lasted until 1978. We found it was too small of a town to support the business, so we moved to a building next to (a popular bar called) Coral Gables on Grand River Avenue in East Lansing. We opened in our current East Lansing location in 1979.

### **How did you become the sole owner?**

**Arnold:** In the 90s, Tim and Tom were not very aggressive, but I was, and so was our business partner Mike, who grew up in the same neighborhood with us. It got to the point where we said, "Look, we want to buy you guys out. We want you to leave." Tim was the first one to go, and he was happy to go. Tom hung around for another three years, and then he was gone. That was pretty much the changing of the guard. (Tim moved to Las Vegas, where he eventually opened the Pinball Hall of Fame.)

### **Where did the name Pinball Pete's come from? Is there a Pete?**

**Arnold:** There is not an actual Pinball Pete. When we had the location out on Grand River Avenue, there was a fiberglass elephant up on the roof – a life-sized elephant. We were sitting there one night, trying to figure out how we could attract attention to the building. We thought "what if we went up there, and painted the

elephant pink?" We could then have our mother make us a fiberglass or papier-mâché cowboy riding the elephant. We could call that guy Pete.

Later that night, we climbed up on the roof and painted the elephant pink, but we never made the cowboy. However, people started recognizing the pink elephant so we just started calling the elephant Pete.

**Pete's was around before the video game business really picked up, right?**

**Arnold:** Yeah, we got very lucky. When we were kids, they didn't have video games. When we opened in Mason, we had pinball machines, foosball, and pool. Between the year we had that arcade open and when we went out to the location on Grand River, along came the first black and white video games, which were Pong, Space Invaders, and Asteroids. Then 1980 came along, you had Pac-Man, Galaga, and the boom of video games. At one point, we had 12 Pac-Man machines side-by-side in the hallway, and there would be people waiting to play them. The golden age was here. That was a good time. You could put a Pac-Man machine anywhere, come back in a week or two, and the thing would be full of quarters.

**What are some recollections you have of Pete's on a Friday night in the early 80s.**

**Arnold:** I used to work this arcade, in East Lansing, on Friday nights. I'd get in at 6pm, and I would get ready for the rush that was coming. We had a girl that would generally work in the change booth, and there would be me and two other



guys that would basically just walk the floor, making sure everything was going the way it should. You had to watch for kids sneaking down a beer, hitting the machines, or just getting crazy because that's what they used to do. Those days were literally, hold on to your hat. You had to be ready.

**When did you see the decline of the arcade business?**

**Arnold:** You had different phases. In the 80s, you had all different kinds of games. Anything the designers could dream up, out in their world, they would turn into a video game. You saw a lot of stuff come and go. Then in the 90s, you really saw a resurgence in one-on-one fighting games, like Mortal Kombat, Street Fighter, and Double Dragon. Those were really popular for 6 or 7 years. Right

around the time we hit the 2000s, things started kind of changing. Technology left from going straight to the arcade the way it used to go. They would make their games and you would get it in the arcade. As soon as you got it in the arcade, you were off and running. Now they apply that technology to the home systems and the home market, because it made sense to them. They could sell millions of home

systems versus thousands of arcade systems. The technology changed and started leaving the arcade behind. That's when you started seeing arcades disappearing from most small towns in America.

That's about the time we started changing as well. We got involved in the redemption games that give away tickets, which can be redeemed for prizes - kind of a more family-friendly atmosphere. This is when drunk driving and cigarettes became really unpopular. East Lansing used to be a town where you could come to and have a lot of fun. Now it's kind of become a town you can come to and have some fun, but you'd better not do anything wrong, because the city is more than happy to provide housing you for the evening and take away your

money. The whole social atmosphere changed, and that's why we had to make changes, or else we'd be gone as well.

**Back in the day, the arcade version had exclusive rights for months, even a year, before the home versions were released. Is it that way now?**





**Arnold:** No. In fact, all of those manufacturers are gone and out of business. Really, the only people making new machines are a couple of smaller companies. Like the new Terminator games, by Raw Thrills / Betson. There used to be four pinball manufacturers, now there's only one (Stern). The price of pinball has basically skyrocketed because there's kind of a cult following for it now. They make machines with limited editions and special features. Those machines are, of course, really coveted by the collectors, and the collectors drive the price up.

It's actually been detrimental to the arcades because everybody wants to see those machines, but they're only produced in limited numbers that appeal to a small collector's market. It's driven the price up and made pinball a boutique thing. Are you buying it because you want to own the machine, or do you actually want to make a living with the machine? That's a totally different subject. It has been changed by the collectors of pinball. The first 400 limited edition machines go straight to collectors, go into a basement and they sit down there, where they get played once a week. Versus someone who puts them out where the general public can play them and make money. In the long run, that's probably healthier for pinball, but that's just the way it's gone.

**When I was young, we'd all come in with our handful of quarters, and keep playing to get as good at a game as possible. Do you still see that?**

**Arnold:** Oh yeah. The hardcore customer that wanted



bragging rights for having the high score, that guy still exists. But he comes in once a month, or once a week, compared to every day and defending his turf back in the old days. Nowadays, it's more of a socialization thing. It allows people to come in and try something they can't do at home. Actually go out in the world and communicate with another human being, not a cell phone or a text message. That's kind of a scary thing for some people. That's just the way the world's changing.

**That leads me into the question, how has business been lately?**

**Arnold:** We're hanging in there. Luckily, the landlord here in East Lansing is a family friend, and they've been willing to change with



the times with us. In Ann Arbor, we also have a landlord that is a friend. We pay a king's ransom, but it's a really unique store. They had built a brand new mall, and the entire lower level was intended to be a food court. That didn't work out, so we took over that whole lower level. That store was voted one of the five coolest arcades in America (by Tips and Tricks Magazine, August 2007). It's pretty special. I

think the community has come to appreciate us versus when we first opened. We had a lot of high school kids, and people coming in that wanted to cause problems. We really had to crack down on that. We kind of changed the focus of the arcade. Again, that was the end of the fighting games, so we changed the focus of the arcade to more the ticket/redemption machines and the family friendly atmosphere. That has come to be our saving grace.

**Are you actually making a profit?**

**Arnold:** We are paying ourselves, and are able to buy some new equipment. If we wanted to stop buying equipment and stop being concerned with the future, we

could probably squeeze out a little money. But the olden days of really making money, those have disappeared. Now it's just kind of in existence. I mean, I'm sure we could close the doors, and have a big auction and sell everything, but then I'd have to go get a job, and I don't know what I would do. This is all I've ever done. I do this because I enjoy it. It's a labor of love.

### **When were your best years?**

**Arnold:** Probably the 80s to the 90s. The Pac-Man era, the Galaga era, those were the golden days.

### **What do you think about the new generation of games coming out? The dancing games, etc.**

**Arnold:** The Dance-Dance Revolution games are really cool because they get you up there. When you really get into it, you'll be dripping sweat, so it's physical activity.

It's strange that you mention that, because back when I was a kid, if I got in trouble, my parents would always say to me, "Keep that up, and you're grounded." Now I think it's the exact opposite. If you get in trouble, they say, "Keep that up, and you're going outside. I'll take away your iPod and you'll have to get out of the basement and quit watching movies and eating chips and drinking pop." Which they've conveniently provided because y'know, the world is such a scary place.

But that's why I think Dance-Dance Revolution is a really good game. I'll see guys in the Ann Arbor store absolutely saturated, dripping with sweat because they're in there dancing. Anything to get people up and off the couch, away from the television or the iPod, is probably a good thing.

### **What is trendy or "hip" in arcade gaming today?**

**Arnold:** The last really popular things were the dance machines. You need to provide things that people are looking to do, and want to do, that they might not have in their homes, like the pool table or air hockey, or a



Dance-Dance Revolution machine, or a skee ball machine or the basketball-shooting machine. Not a lot of people can have a full game room in their house, which is good that we're still here and still plugging.

### **What are your favorite arcade games?**

**Arnold:** Crazy Climber, and for pinball, Kiss. I have the Kiss at my cabin and Crazy Climber at my warehouse. But my son wants it in our house.

**Crazy Climber! A man after my own heart! So you must have a pretty good warehouse full of video games.**

**Arnold:** I wouldn't say it's pretty good. I would say it's full of junk. That's also part of the business. I

have probably every classic game in there that you can remember — Missile Command, Robotron, Stargate. Games that are near and dear to me but really don't mean anything to the kids of today. So I say, one of these days, I'm going to get those running, and I'll just put them in my house. But I never do that because I've got other machines I need to get fixed that I actually make my living off of.

That's the curse of the warehouse. It just turns into a big storage area.

### **Almost like a graveyard.**

**Arnold:** Exactly! That's what I tell my business partner, is that I don't want to run a graveyard. We need to be viable and keep our entire current stuff running.

### **How much do you charge to play the games?**

**Arnold:** I'd say the majority of them are 50 cents. Maybe a quarter of them are a quarter, a quarter of them are a dollar, and everything else is 50 cents. The really expensive machines like Terminator are a dollar. The older and classic ones are a quarter. Then there's the stuff in the middle, the stuff you can't do at home like air hockey or the basketball machine that are 50 cents.

**Do you find that people won't pay more than a quarter or two for a game? Do you ever wonder why it is that the amount of money people will pay to play machines like this has never really changed with the times?**

**Arnold:** That's probably one of the most frustrating things





for me. I used to sell pop for 10 cents, in a paper cup that said Pinball Pete's. Now, I have both Pepsi and Coke battling for my attention in my stores, and they're selling stuff for \$1.75. People are paying \$1.50 for a bottle of water. Meanwhile, if I try to raise the price of pinball from 50 cents to a dollar, people are ready to boycott my store. I sit here and I say to myself, what about inflation? What about (that fact that) the cost of pinball machines has doubled? How come I can't raise my price? It's extremely frustrating to me, because everybody else has raised their price every other month. They're raising it a nickel or a dime. It's like everybody is in a time warp.

(People say) "How dare you raise the price of a video game? Dude, that game's been down here for two years. Will you lower the price?" I've had people ask me to lower the price on fighting games, and I'm like, are you serious? People get locked into the fact that every game should be a quarter.

But one good thing ... about five years ago, we decided to started putting the cups on top of the change machine, because we saw that not everybody was coming down and putting in one or two singles anymore. We would have a family come in looking for 20 dollars' worth, or 40 dollars' worth of quarters, and they didn't want to walk around with them in their pockets. So we started putting the cups up there. And that's actually changed the way people spend their money. People come in and say, "I'm spending five bucks, or I'm spending 20 bucks. I'm



putting it in this cup, and when it's empty, I'm leaving."

**What experience does the arcade offer that a home console cannot?**

**Arnold:** The chance to actually go out and socialize. Boys might go out and meet girls. I don't know how that happens nowadays.

**What changes are necessary for an arcade business to succeed?**

**Arnold:** The minute you think you've got it all figured out, you couldn't be more wrong. I remember when my brothers were around it was a fight with them to try new things. I wanted to put in an air hockey table, and my brothers didn't want to. I wanted to put in more pool tables, and my

brothers didn't want to. When their used to be three or four rooms down here, I wanted to tear out all the walls, and make it once huge open space (like it is now) and they didn't want to. If you don't keep an open mind and change with those kind of things, then it's not good. Once you get locked in, people get used to it and they say, "I don't wanna go down there, there's nothing new, nothing different." Like I say,

10 years ago, Pinball Pete's had no redemption games. Now, if you look around this store, half the games are redemption games, and my Ann Arbor store is the same way. If we hadn't made those changes, I don't think people would be coming down like they are. If you get locked into one idea, you're done.

Who would have thought a business with such a humble beginning could endure for 35 years, through the highs and lows of a turbulent, ever-changing industry? With the desire to succeed and the willingness to change with the times, Pinball Pete's will most likely be around for years to come... or at least I certainly hope so. Things wouldn't be the same without the Pete the pink elephant around.

*Randy D Pearson is an author located in Lansing, Michigan. His work has been seen in several publications including the Washington Square Review and Pets Across America. His debut novel, Driving Crazy, is the story of two lifelong friends who travel across the United States to pick up a Crazy Climber arcade machine. For more information, please visit his website, [www.RandyPearson.org](http://www.RandyPearson.org)*

