



City of Richmond

Report to Council

To: Richmond City Council
From: Jim Bruce
General Manager, Finance and Corporate Services
Date: September 18, 2002
File: 8060-20-7048
Re: Suspension of Business Licence for Swan Lake 88 Enterprises Co. Ltd

Staff Recommendation

That Council suspend the Business Licence of Swan Lake 88 Enterprises Co. Ltd for the period September 30, 2002 through November 28, 2002 both dates inclusive.

Jim Bruce
General Manager, Finance and Corporate Services

Attach.2

FOR ORIGINATING DIVISION USE ONLY
CONCURRENCE OF GENERAL MANAGER

Staff Report

ORIGIN

The City continues to enforce its business licence bylaws with an emphasis on the operating hours and permissive functions within the business complex. These efforts are part of our continuous effort to promote customer, community and employee safety and to ensure that all businesses are operating in a consistent manner so as to not prevent one business gaining an operational advantage over another business in the same business category. The RCMP have also been involved in the enforcement activity to ensure that the business activities are within the rules established by the Criminal Code and Immigration Regulations.

ANALYSIS

City staff and RCMP personnel continue to make unscheduled visits to various adult entertainment businesses to ensure business operations comply with the City's bylaws, the Criminal Code and Immigration Regulations and Laws. Many of these businesses, because of the nature of the business, are open late at night. The RCMP have on several occasions advised Council of their concerns relative to these types of businesses and the impact on the community of extended operating hours and RCMP policing costs.

The Swan Lake 88 Enterprises Co. Ltd. is considered an adult entertainment establishment. This business has again ignored the City's bylaws for such a business and has in fact previously had its business licence suspended for 30 days in December of 2001.

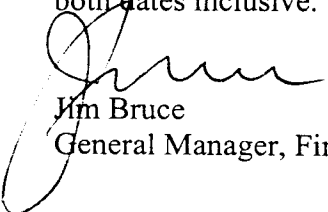
This business has appeared before the Chief Licence Inspector on September 12, 2002 to review its operations and to explain why they continue to operate in contravention of the City's business operating regulations and bylaws. Having completed the review and taking into consideration information from the City's Business Licence Inspector and the RCMP, I believe this business should have their licence suspended for a period of roughly 60 days. The information detailed in Attachment 1. reflects the information that is the basis of this recommendation.

FINANCIAL IMPACT

There is no direct financial impact for the City.

CONCLUSION

That Swan Lake 88 Enterprises Co. Ltd. continues to ignore the City's business licence bylaw and regulations and as such, their non-compliance warrants a business licence suspension of roughly 60 days that should be enforced from September 30, 2002 through November 28, 2002 both dates inclusive.



Jim Bruce

General Manager, Finance and Corporate Services



CITY OF RICHMOND

LICENCE SUSPENSION HEARING SWAN LAKE 88 ENTERPRISES LTD MINUTES

held September 12, 2002
at 10:35 am Room T.2.141
Richmond City Hall

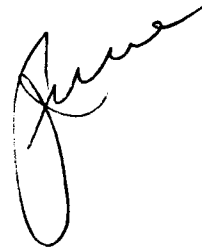
Present:

Mr. Jim Bruce (JB)
Mr. Vic Duarte (VD)
Mr. Patrick Li (PL)

- JB opened the meeting with the offer to review the hearing process. PL has been through this process several times in the past. PL said he did not need to review the process unless the process had changed. JB advised that there were no changes to this process so the hearing went directly to the evidence presentation.
- PL advised that immediately after the incident he met with the staff to discuss what had happened. He realized that they had contravened the City's dress code
- PL advised that he always reinforces to his staff that they must abide by the City's rules
- PL advised that the staff complain about how hot the room gets and they take their clothes off as a direct result of this. PL advises them that the rooms are kept warm for the comfort of the customers and that not being properly dressed is not acceptable
- PL advised he terminated the staff member performing the massage after the RCMP left the premises and also terminated two other staff who in his opinion did not seem to accept the clothing regulations
- JB questioned PL about the comments made by the staff that they were directed by him to perform sexual acts. PL denied this and said the staff didn't tell him what the RCMP asked them.
- JB asked PL about his use of a lawyer this time and PL said no.
- JB reviewed with VD his attendance at the establishment and VD advised he had not issued any tickets since the last suspension. VD advised that PL seems to have a switch at the reception desk that will turn on and off the lights in each room once PL realizes that he or the RCMP are at the door. The front door is also controlled electronically and you can only enter at the will of the person at the reception desk. PL confirmed the electronic door but offered no comment on the light switching.
- PL advised that the RCMP had been to his business at least 4 or 5 times since his suspension had expired. VD could not confirm this
- JB asked PL if the RCMP had issued a ticket on the night in question and PL advised no.
- JB questioned the number of employees and PL advised 16 or 17 depending on business

- JB asked PL how girls get paid and PL advised they are employees and get paid by the hour and not by the number of massages. He also advised he knew nothing about what extra money the staff get as he doesn't know what they get for tips
- JB advised that VD would deliver a letter of what action the City will take, by 5:00 pm Wednesday September 19, 2002.

Meeting ended at 10:53 am.

A handwritten signature in black ink, appearing to be 'J. B.', located to the right of the meeting end time.



City of Richmond

6911 No.3 Road, Richmond, BC V6Y 2C1

Telephone (604) 276-4000

www.city.richmond.bc.ca

September 18, 2002

File 8275-20

Finance & Corporate Services

Fax: (604) 276-4162

Admin. 276-4219 Accounts Receivable 276-4277

Payroll 276-4137 Purchasing 276-4097

Tax 276-4145

Mr. Chi Yau Patrick Li
Swan Lake 88 Enterprises Co. Ltd.
doing business as
Swan Lake Shiatsu
Unit 1120- 4651 Garden City Road
Richmond BC V6X 4A9

Dear Mr. Li:

**Re: Swan Lake Shiatsu
Business Licence Review Hearing**

This correspondence will serve as official follow-up to your business licence review hearing held before me at Richmond City Hall at 10:30 a.m. on September 12, 2002 in meeting room T.2.141.

I have now had the opportunity to review all the facts as presented by Mr. Duarte, the City's representative and those of the RCMP as gathered at on-site visits. I have also taken into consideration all the comments put forward by yourself.

The findings clearly indicate that your business was operating in contravention to the City of Richmond Business Licence and Regulations bylaws. This last visit by the RCMP indicates that you were operating in violation of the Business Licence Bylaws and in fact, the RCMP indicated that there was specific evidence that would indicate that there were activities taking place in the room that is not permitted with any type of business licence for the City of Richmond.

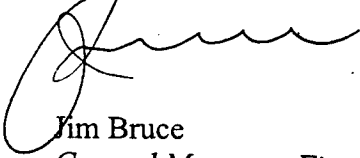
The Facts presented indicate that a licence suspension is warranted. I will therefore be recommending to Richmond City Council that your business licence be suspended from September 30, 2002 through November 28, 2002 both dates inclusive, which is a total of 60 days.

This recommendation will be dealt with by Richmond City Council at their meeting of September 23, 2002 at City Hall , 6911 No.3 Road. This meeting will commence at 7:00 p.m.

sharp and you have the right to appear before Council to debate the recommendation and to present your case as to why the recommendation should not be supported. Should you wish to attend the meeting to present your case, please contact Mr. Richard McKenna, the City Clerk, and he will ensure you are added to the Council agenda as a delegation.

Should you have any questions regarding this recommendation, or the process relating to the Council meeting, please feel free to call me directly at 276-4095.

Yours truly,

A handwritten signature in black ink, appearing to read 'Jim Bruce', with a large, stylized initial 'J'.

Jim Bruce

General Manager, Finance and Corporate Services

JWB:tlm

pc: J. Hikida
V. Duarte
R. McKenna
T. Mahone - RCMP



City of Richmond

6911 No. 3 Road, Richmond, BC V6Y 2C1

Telephone (604) 276-4000

www.city.richmond.bc.ca

September 9, 2002

File: 8275-20

Finance & Corporate Services

Fax: (604) 276-4162

Admin. (604) 276-4219

Treasury Services (604) 276-4277

Payroll (604) 276-4137

Purchasing (604) 276-4097

Tax (604) 276-4145

Delivered by Hand

Mr. Chi Yau Patrick Li
Swan Lake 88 Enterprises Co. Ltd., doing business as
Swan Lake Shiatsu
Unit # 1120-4651 Garden City Road
Richmond, BC V6X 4A9

Dear Sir::

Re: Business Licence Contravention and Licence Review Hearing

It has been brought to my attention that a recent site inspection was conducted by the Richmond RCMP on August 31, 2002. Licence Inspector Victor Duarte, received a Memorandum from Corporal D. MEIKLE and Constable HALE indicating that Swan Lake Shiatsu was in contravention of the City of Richmond Business Regulation Bylaw No. 7148.

The contravention was specific to the operating standards as set in the bylaw. Specifically, an employee was found in a room with a customer and possibly performing business activities which are not appropriate conduct, for which the Business Licence was issued.

You are hereby requested to appear at a Business Licence review hearing to discuss these matters, which may result in the suspension or cancellation of your Business Licence. The hearing has been set for 10:30 a.m. on Thursday, September 12, 2002, in room T.2.141 at the Richmond City Hall located at 6911 No. 3 Road.

Should you have any questions regarding this matter, please feel free to contact Mr. Duarte at (604) 276-4389 or myself at (604) 276-4095

Yours truly,

Jim Bruce

General Manager, Finance and Corporate Services
Chief Licence Inspector

JWB:vmd

pc: V. Duarte
Business Licence Inspector

Cpl. D. Meikle
RCMP Police (Richmond Detachment)



City of Richmond
Finance & Corporate Services Division

Memorandum

To: J. Bruce
General Manager, Finance and Corporate
Services
Chief Licence Inspector
Date: September 4, 2002

From: Victor M Duarte
Business Licence Inspector
File: 8275-20

Re: **Swan Lake 88 Enterprises Co. Ltd. DBA - Swan Lake Shiatsu
Contravention of Body-Painting/Body-Rub Studio Regulations**

A recent site inspection was conducted at **Swan Lake Shiatsu** by Richmond RCMP "D-Watch", specifically Cpl. D. MEIKLE and Cst. HALE, on August 31, 2002. Memorandum was forwarded to myself regarding the said inspection, indicating that **Swan Lake Shiatsu** was in contravention of the City of Richmond **Business Regulation Bylaw. 7148**.

The contravention was specific to the operators prohibitions set in the bylaw. Specifically, an employee was found in a room with a customer, possibly performing activities which are not appropriate conduct, for which the Business Licence was issued.

To date, the said business has received a 30 day suspension, inclusively for the period of December 01, 2001 through December 31, 2001, for similar activities.

In careful consideration of the mentioned offences, I feel it may be required that the business representative for **Swan Lake Shiatsu**, appear at a Business Licence review hearing in front of the Chief Licence Inspector.

Victor M Duarte
Business Licence Inspector

VMD:vmd

pc: M. Freeman
Manager, Business Liaison & Development

J. Hikida
Licence Inspector

Cpl. D. Meikle
RCMP (Richmond Detachment)