

**RESOLUTION NO. 23-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENIFEE, CALIFORNIA DENYING THE APPEAL FILED BY THE APPLICANT/APPELLANT YIHAI ACE INC. D/B/A HAPPY SEVEN, FILED BY REPRESENTATIVE FANGKAI JIANG, WHICH APPEALS THE DEPUTY FINANCE DIRECTOR'S (DECEMBER 2, 2022) DENIAL OF A BUSINESS LICENSE APPLICATION FOR A MASSAGE BUSINESS AT 27701 SCOTT ROAD, #204, MENIFEE, CA 92584**

**WHEREAS**, on July 26, 2022, Fangkai Jiang and Li Wang, representatives for the applicant, Yihai Ace Inc. D/B/A Happy Seven ("Applicant"), filed a formal application with the City of Menifee ("City") for the approval of a massage business license located at 27701 Scott Road, #204, Menifee, CA 92584; and

**WHEREAS**, pursuant to Section 5.01.090 Additional License Requirements for Special Business Types in the Menifee Municipal Code, which applies to massage business licenses, the Menifee Police Department ("Menifee PD") proceeded to complete a background check and Live Scan of the applicants; and

**WHEREAS**, Menifee PD discovered that Ms. Wang was previously arrested for engaging in prostitution at a massage establishment owned by Mr. Jiang, and he was and continues to be associated with massage businesses that are known to offer illegal sexual services; and

**WHEREAS**, on September 22, 2022, the Finance Department issued a formal denial letter to the Applicant based on the investigation and recommendation of Menifee PD; and

**WHEREAS**, on October 25, 2022, the Applicant submitted a new application for a massage business license located at the same Menifee address but listing only Mr. Jiang as the business representative and owner; and

**WHEREAS**, Menifee PD proceeded to conduct a background check and Live Scan for Mr. Jiang as the business representative and owner; and

**WHEREAS**, on December 2, 2022, on the recommendation of Menifee PD, the Finance Department issued a formal denial letter to the Applicant regarding the October 25, 2022, business license application; and

**WHEREAS**, on January 12, 2023, the City received a formal appeal application from the Applicant pursuant to Chapters 2.20 and 5.01.250 of the Menifee Municipal Code; and

**WHEREAS**, on April 5, 2023, the City Council of the City of Menifee held a public hearing to hear the appeal, testimonies, and arguments regarding the October 25, 2022, business license application by the Applicant and December 2, 2022, denial of said application; and

**WHEREAS**, the City Council of the City of Menifee has read and considered all documentation submitted by the Applicant as well as City staff for the April 5, 2023, public hearing and appeal; and

**WHEREAS**, all other legal prerequisites to the adoption of this resolution have occurred.

**NOW, THEREFORE**, the City Council of the City of Menifee resolves as follows:

1. The recitals above are true and correct, based on substantial evidence in the record, and incorporated herein by this reference.
2. The information submitted by Mr. Jiang on behalf of the Applicant, the information submitted by City staff relating to the denial of the application and the appeal involving the Applicant, and the public hearing conducted on April 5, 2023, in which the City Council received arguments from the Applicant and City staff as well as public comments, provide adequate bases to uphold the Finance Department's December 2, 2022, denial of the massage business license application submitted by Mr. Jiang on behalf of Yihai Ace Inc. d/b/a Happy Seven, located at 27701 Scott Road, #204, Menifee, CA 92584 was warranted based on the criteria for approval or denial set out in Menifee Municipal Code section 5.01.090 Additional License Requirements for Special Business Types.
3. The City Council's independent judgment, based on the information, arguments, and public hearing discussed herein, is to deny the January 12, 2023, appeal submitted by Mr. Fankai Jiang on behalf of Yihai Ace Inc. d/b/a Happy Seven, located at 27701 Scott Road, #204, Menifee, CA 92584.

**PASSED, APPROVED AND ADOPTED** this the 5<sup>th</sup> day of April 2023.

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Bill Zimmerman, Mayor

Attest:

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Anita Kay Vinson, Acting City Clerk

Approved as to form:

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Jeffrey T. Melching, City Attorney