

Press Release

WILL CITY HALL REWARD THE MAN BEHIND THE MILLENNIUM COVER-UP? Garcetti Is Asking the City Council to Promote Raymond Chan

A leading opponent of the Hollywood Millennium project will strongly urge the Los Angeles City Council today (Wednesday, April 30) to reject Mayor Eric Garcetti's proposed promotion of Raymond Chan as general manager of the LA Department of Building and Safety (LADBS) and release internal City Hall emails that raise new ethical questions about Chan's close ties to the Millennium project's chief lobbyist.

"The proposal to promote Mr. Chan is an outrageous slap in the face to the public and to good government, and it should be rejected," Millennium opponent George Abrahams said. Abrahams is a plaintiff in a lawsuit that continues to hold up construction of the \$650 million twin tower Millennium project in Hollywood, which the City Council approved on top of the active Hollywood Earthquake Fault.

The City Council is scheduled to consider Chan's promotion at its meeting today (Wednesday, April 30).

Abrahams said Chan failed to be a watchdog for public safety when he oversaw LADBS' recommendation to okay construction of two high-rise towers on the Millennium project site in Hollywood despite clear evidence the towers would be built on top of the earthquake fault.

On July 24, 2013, the City Council approved the Millennium project – despite its deeply flawed environmental assessment – after a multi-million dollar lobbying campaign waged by Millennium's chief lobbyist, the law firm of Sheppard Mullin.

Shortly after that vote, opponents discovered that while Chan – as LADBS' interim general manager – was overseeing the Millennium proposal, Chan's son, Jeremy, was a paid employee of Sheppard Mullin. In fact, documents show Chan's son began working at Sheppard Mullin on Jan. 28, 2013, just three days before LADBS gave its final sign-off for the Millennium project.

But the cozy ties between Sheppard Mullin and Chan do not end there, Abrahams said.

Documents recently obtained through California Public Records Act requests by opponents seeking to overturn the city approvals for the Millennium project show Chan has been Sheppard Mullin's go-to guy at City Hall, Abrahams said.

"Whenever Sheppard Mullin's clients had a problem at the Department of Building and Safety, no matter how small, they went straight to the top – to Chan – to get serviced," Abrahams said. "Sheppard Mullin had incredible access to Chan that would be the envy of any developer. And the firm returned the favors. Sheppard Mullin not only hired Chan's son but also flattered and courted Chan by inviting him to numerous social events, including Sheppard Mullin attorney Jerry Neuman's 50th birthday party and an open-bar event at the Villain's Tavern hosted by the firm."

The new documents show Sheppard Mullin repeatedly turned to Chan and his immediate assistant for help when the firm's clients had issues concerning haul routes, vinyl advertising, streetlamp banners,

floor area issues, site plans and fee waivers, said Abrahams. “Sheppard Mullin, and Millennium, got red-carpet treatment from Chan,” said Abrahams.

“At times Chan sounds like a cheerleader for Sheppard Mullin’s clients,” said Abrahams. Abrahams cited an October, 2012 email exchange in which a Sheppard Mullin attorney sought Chan’s “HELP!” (the subject line in the email) with a problem it was having at City Hall with one of its projects. Chan stepped up to help fix the problem and wrote the attorney: “Hope the ball will move in the right direction.”

In May 2012 email, Chan sent an email “For your eyes only” to a Sheppard Mullin attorney with information about an internal discussion between city officials concerning one of the attorney’s clients. “That email makes you wonder who Chan was working for – the city or Sheppard Mullin,” said Abrahams.

Chan’s close ties to Sheppard Mullin raise serious ethical questions, said Abrahams.

Please see the attached documents on Chan’s dealings with Sheppard Mullin.

“Instead of being a watchdog for public safety and welfare, Mr. Chan has been in bed with the Millennium developer and the developer’s lobbyist,” Abrahams said. “In fact, instead of rewarding Mr. Chan with a new job title, a six-figure salary and a lucrative pension down the road, the City Council should be demanding answers from Mr. Chan about his handling of the Millennium matter and his cozy ties to Sheppard Mullin.”

For more than a year, Chan has been LADBS interim general manager. Now Garcetti is asking the City Council to promote Chan to the full job of general manager.

Four days before the City Council voted on July 24, 2013 to approve the Millennium project, City Council President Herb Wesson was alerted in writing by California State Geologist Dr. John Parrish that there was a strong possibility his agency (the California Geological Survey) would determine in the near future that the Millennium property was crossed by an active earthquake fault. State law forbids construction directly on top of an active fault.

Yet, the City Council ignored Dr. Parrish’s letter and voted unanimously to support the project which had been championed by then-Councilman Eric Garcetti. Garcetti represented Hollywood before taking office as mayor on July 1, 2013.

In January 2014, the community’s worst fears about the Millennium project were realized when the California Geological Survey released its fault map for the Hollywood community. The map showed the Hollywood Fault ran straight through one of the Millennium’s skyscrapers and properties. At that time, Dr. Parrish also informed the media that no amount of construction wizardry could save a building built on top of a fault from being devastated in a major earthquake.

The lawsuit filed on behalf of Abrahams and a city-wide coalition of community groups to overturn the City Council’s action shows city officials, including Chan, Garcetti and the Los Angeles City Council, repeatedly violated safety and environmental rules in their review of the Millennium developer’s application for the zoning concessions needed to build its project.

“The EIR on this project was a whitewash,” said Abrahams. “The EIR said the nearest earthquake fault was nearly half a mile from the project, and it swept under the rug findings by the developer’s own geologists that identified geologic formations and anomalies that were unmistakable signs of a fault on the Millennium property. All of this happened on Mr. Chan’s watch.”

The lawsuit against the city and the Millennium developer is still pending, and the Millennium developer has said the project will not proceed until the lawsuit filed by the community groups is resolved.