

January 25<sup>th</sup>, 2022

Illinois Attorney General Kwame Raoul  
100 West Randolph Street  
Chicago, IL 60601

RE: Avalon Regal Theater

To Whom It May Concern:

The Avalon Regal Theater is a landmark property and architecturally significant structure nestled on the 79<sup>th</sup> Street Corridor. The corridor and its business owners have suffered long-term divestment.

However, when I purchased the Avalon in 2014, it came as an opportunity, in a down real estate market, to develop this property and the area.

Prior to any Invest South/West or Opportunity Zone programming even being conceived, it was challenging to get buy-in to invest on 79<sup>th</sup> street.

Yet, through a community crowdfunding campaign, I raised \$28K from South Shore residents as proof of concept. The Avalon was a site with potential and an attractive investment for any investor. After several years, we created a private equity fund to attract an array of investors, including Kanye West- whom I personally introduced to the City and 8th Ward Alderman Michelle Harris about the project.

To further prove investment viability, we allowed brands like Glade, Nike, BET, Showtime, VH1, Adidas, and Chicago Magazine to leverage the unique architecture for producing commercials. For example we worked with NIKON to produce "How to Film a Music Video" for their online camera school at the theater.

Exposure like this attracts investors and opens revenue streams. We are slated to work with Louis Vuitton Moet Hennessy this summer for a popup event.

We successfully hosted, with City acknowledgement and approval, three Open House Chicago events seeing nearly 5,000 people over the course of 2-days in 2014, 2015, and 2016.

**Since purchasing the property for \$100K, I have expended \$1.2M** of personal equity to manage the challenges of inheriting a long-standing court case from the previous owner including the following repairs:

- Electrical grid/powering the entire building;
- Roof leaks;
- Plumbing;
- General maintenance;
- and attending required meetings with the City Department of Buildings

Despite my efforts, equity and proof of concept, the Avalon has yet to be funded or supported by any City program while meeting every City INVEST South/West priority.

In 2017, a call to 8<sup>th</sup> Ward Alderman Michelle Harris' office changed the trajectory of my revitalization efforts. Interference by elected officials, the Chicago Police Department 4<sup>th</sup> District, and other City department leaders have sabotaged my chances of fair and unbiased consideration for any market-based or grant programming/set asides due to unintentionally harassment, unlawfully jailing me, and other illegal and unethical tactics.

### Retaliation Unlawful Harassment/Arrest & Detainment, Unethical Treatment & Sabotage

In 2017, I called Alderman Harris' office requesting help with a clean-up of 79<sup>th</sup> Street in preparation for our 4<sup>th</sup> annual Chicago Architectural Foundation Open House, as we had in 2014, 2015, and 2016.

The Alderman denied the clean up request.

Two days before the event, we were forced to cancel due to citations from the Buildings Department that the building was unsafe, decrepit and damaged. Yet, we had no shut-downs in years past.

Prior to the shut down, we posted signs notifying the public that the event was canceled, blasted the last minute notice on Social Media, yet visitors didn't have enough time to course correct and many showed up.

The police were sent to the property by the Alderman's office early that Saturday morning. The squad cars used their lights and sirens to intimidate visitors walking up to the building that was closed to the public. I was also unlawfully harassed, told to shut down a private film set and arrested for not having a business license. The 4<sup>th</sup> district later released me from jail and the citation was dismissed before I showed up to court.

This incident was not only traumatic for visiting tourists and community participants, but to the children that were performing on behalf of Mayfair Dance Academy during our Christian music video shoot. I was also traumatized at the arrest and the entire event was a tarnishing of my name and the Regal's brand in the media.

I had never been arrested before this incident.

Again in 2020, the Alderman exercised her dislike and shut down our US Census / Vaccination event. Again, we partnered with the Chicago Architectural Foundation and their Open House Chicago program to share the Avalon with the public. Again, I was harassed and shut down by the police. We were told that we were only allowed now to use the parking lot. They also cited unsafe conditions again. Although, I had been working with the City to implement the requested critical façade examination.

Alderman Harris' employee, Alvin Rider, then took to social media to publicly discuss the events that occurred. She publicly defamed me and violated my brand.

As a result of these interactions with the Alderman, I sense that any grant I put forth to the City will be subjectively denied due to her input and leverage across City departments.

### City of Chicago Denial Letter Synopsis

Over the course of 24 months, we have applied and been denied any City funding or TIF allocation for the project including:

- Neighborhood Opportunity Fund
- Adopt-A-Landmark
- Landmark Designation
- Small Business Improvement Fund
- Class L Tax Classification

Adopt-A-Landmark 2022 Denial Letter: "Please be aware that submitted projects that meet this year's funding priority (Neighborhood Anchor or Neighborhood Commercial buildings) and the greatest number of evaluation criteria were given overall priority for funding." Refer to attached denial letter.

Neighborhood Opportunity Fund/2021 Denial Letter - "The application cannot be funded because the application scope is only for the façade work and does not result in a completed project. We would like to see an application presenting everything needed to bring the theater back into operation....Apply again with a full budget."

- Per City program guidelines, the Large NOF grant will only consider projects up to \$2.5M. And has no guidance for projects with larger budgets. Our total renovation budget is \$11M. Why would we have thought to present the entire project?

#### City Support of 79<sup>th</sup> Street Corridor & Avalon Theater Revitalization

Per numerous City of Chicago planning documents, the Regal Theater has been cited as an important Landmark; with calls for investment and revitalization including:

*City of Chicago 1998 79<sup>th</sup> Street Redevelopment Project & TIF Financing Plan by Teska & Associates*  
 "...stabilize and enhance the existing character of the 79<sup>th</sup> Street corridor as a strong retail, business and cultural institutional region."  
 "...preserve buildings with historic and architectural value."

*City of Chicago/Department of Planning 2019\_2020 South Shore Corridor Study*  
 "immediate action to revitalize the 79<sup>th</sup> corridor with the Avalon as its anchor."  
 "stamping 79<sup>th</sup> street as a Destination Entertainment District"

- 5.1 Focus on reactivating the Avalon Regal Theatre (pg40)
- 5.2 Define 79th and Stony Island as an entertainment district (pg40)

*2002 city of Chicago TIF Redevelopment Plan*

- "priority investment located in the City's Qualified Investment Area and is in a federal Opportunity Zone area."

Despite these references, we have not had near enough support or even an offer of TIF funding, like other white-owned developments like Local Market or other large mega-developments in the area. We are getting no traction, no support and no assistance to bring the site back into public use.

The rate of City denial is a disturbing trend; seems biased and intentionally targeted at Jerald Gary / Community Capital Investment, the African-American owner of the Avalon Regal Theater.

#### Ward Services & Representation

Also questionable is the appointment/election of 79<sup>th</sup> Street Corridor manager Melinda Kelly through the 8<sup>th</sup> Ward office. Ms. Kelley is affiliated with the Auburn Gresham/Chatham/East Chatham community and doesn't represent South Shore nor the City's Special Service Area #42. In short, this appointment doesn't even represent the 79<sup>th</sup> corridor and hails from an entirely different community. How does this appointment serve South Shore? Or is this another demonstration of Aldermanic prerogative?

#### Threats from Other Developers

The Regal Mile Studios was given a plot of City land to build a \$60M film production studio. Yet they seem to be staking claim to the Avalon Regal Theater and it's revitalization on their website. Why is another company stating to the public that they are going to revitalize my property? It's not out of the realm of possibility for an Alderman to act against their own constituents. It's Chicago! Refer to attachments.

#### Ending Aldermanic Prerogative & Cronyism

Mayor Lightfoot and the Illinois General Assembly HB Bill Status of HB2559 have made strides to end the practice of Aldermanic privilege. However here we are highlighting disturbing scenarios and interactions between Community Capital Investment and City Officials.

Per the Recent Report on Aldermanic Prerogative, the following changes were to be made by DPD however the Neighborhood Opportunity Fund website still states that the large NOF program grant application must be approved by Alderman.

- Class L tax incentive application: DPD will no longer require a letter of support.
- Landmark designation: DPD will no longer require a letter of support.
- Neighborhood Opportunity Fund: DPD will eliminate the practice of obtaining verbal approval for NOF projects under \$250,000. DPD will no longer require a letter of support for projects over \$250,000.

- Small Business Improvement Fund (SBIF) funding requests: DPD will no longer require a letter of support for funding requests going to City Council.

Has 8<sup>th</sup> Ward Alderman weighed in on any DPD applications submitted for the Avalon Regal Theater? What really prompted her to arrest me? I don't know. But I will say abuse of authority is at play.

A recent Sun-Times article summarized my claims of interference and biased by Alderpersons:

“When told that in 2019 Mitchell told the **Chicago Sun-Times** that aldermen need to use their power responsibly, including aldermanic prerogatives in building up their wards, Floyd said, “Based on Alderman Mitchell’s statements, **there should be an audit that confirms how many new businesses have launched in the business corridors.** This audit should include the demographics of business ownership including diversity statistics. Additionally, the audit should confirm the number of businesses Alderman Mitchell supported vs. the amount of applicants that were seeking licensure in the 7th Ward. Considering the alderman would like to maintain the use of Aldermanic Privilege, **I would be curious to see how this would impact businesses seeking Small Business Improvement Fund (SBIF), Tax Increment Financing (TIF), and Neighborhood Opportunity Fund (NOF) funding,”** Floyd stated.”

Behaviors exhibited by Michelle Harris, Greg Mitchell and former Alderman Joe Moreno are an unprofessional inappropriate use of authority and in violation of any employment or City of Chicago ethics policies and codes of conduct. **These people are costing small businesses time and money!**

#### Conclusion

In summary, the City of Chicago and elected Official Alderman Michelle Harris are impeding my ability to finance this project, attract investors and are actually damaging my brand. It wouldn't be out of the ordinary to conclude that an Alderman would conspire behind a businessperson's back for their own gain; or attempt to seize my property through eminent domain. This is Chicago! We're all used to corrupt and biased City officials. **KEEPING BLACK PEOPLE FROM REALIZING COMMUNITY WEALTH BUILDING OPPORTUNITIES!**

I am not a huge conglomerate of real estate developers. I'm a Black man, from South Shore, who has been able to keep the theater afloat. I have a dream to develop this community anchor and bring it back to community use, hire and train locally.

**I've sunk \$1.2M in personal equity to keep the lights on and the walls from falling down. I've been arrested and publicly humiliated. Investor confidence has been tested at the City's discretion. I've been cooperative and within the parameters of City code while attempting to operate, yet I am being targeted to fail. I will not be intimidated by City officials.**

The INVEST South/West Initiative, isn't as impactful as you'd like to think and in the hands of Elected Officials its weapon that sabotages the spirit and intent of the program. Per the City's own documents the Avalon Regal Theater is a worthy investment. You've failed your own plans.

#### List of Documents

The following documents are enclosed as part of this communication:

- Adopt-A-Landmark Denial Letter
- NOF Denial Letter
- Administrative Hearing/2017 Arrest – Dismissed
- Arrest Citation 2017
- Affidavit Police Unlawful entry/arrest during filming in 2017
- Twitter feed/city Employee on Twitter/Defamation
- Regal Mile Studios website referencing Regal Avalon Theater
- Email chain regarding Open House approval City officials, city violations cleared/approvals (also lists my responses & links to news articles/press related to the arrest)

- CityLine Magazine Article “Michelle Harris Trying to Destroy a Multi-Million Dollar Historical Landmark”

### Requests

Community Capital Investments is interested in meeting with the Mayor’s Office to:

- Better understand the recourse for the incidents cited here and what corrective actions will be taken.
- Review recent the Adopt-A-Landmark grant program denial stating that the Avalon Regal Theater does not meet the “Neighborhood Anchor” OR “Neighborhood Commercial buildings” priorities.
- Understand how TIF and other City funds can be leveraged against equity sunk into the project to date.
- Stop all actions toward eminent domain of the Avalon Regal Theater property.

### FOIA Requests

We will be requesting the following through Freedom of Information Act for periods between January 2017- December 2021.

- All internal correspondence, reports/documents shared between City departments upon receipt of correspondence from Jerald Gary in representation of the Avalon Regal Theater.
- Communications between Alderman Michelle Harris to and from the City of Chicago in reference to the Avalon Regal Theater
- Communications between Alderman Michelle Harris and Regal Mile Studios initial introductions, project planning, land transfer, and financing either from the City or other entities
- Communications between the Mayor’s Office, Alderman Michelle Harris, and other City departments regarding taking Avalon Regal Theater under eminent domain
- Denial reasons of all applicants that are the same as the Avalon Regal Theater
- Scoring sheets and correspondence regarding Avalon Regal Theater landmark status grant denial
- Evaluation scores for all denied city grants and a narrative description of how the merits of other Adopt-a-Landmark grantees were prioritized higher than an Invest South West landmark project.
- Correspondence between Zoning Board and other City departments regarding the Avalon Regal Theater
- A list and date of all Ethics/Codes of Conduct trainings required to be taken by all Aldermen and the 7<sup>th</sup>/8<sup>th</sup> Ward Alderman training rate
- A list of any complaints lodged against 7<sup>th</sup> & 8<sup>th</sup> Ward Alderpersons between 2015-2021
- List of all black awarded City grantees over \$3M in allocation

I strongly desire to work with the City to develop a working relationship to revitalize the Avalon Theater and the entirety of the 79<sup>th</sup> Street corridor. We look forward to a professional and fruitful discussion with your team. Thank you for taking time to consider our challenges and requests.

Thank you for your time and prompt consideration of these important matters.

Sincerely,

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