

I move that the City of Hillsdale Tax Increment Finance Authority Board accept the recommendation of the Targeted Development Committee and designate Speakeasy LLC, or a related operating entity approved by the Targeted Development Committee and TIFA legal counsel, as the preferred operator for the Dawn Theater.

The Board authorizes the Targeted Development Committee, in consultation with TIFA legal counsel, the Chairperson, and appropriate City or Authority representatives, to negotiate, approve, and finalize the documents necessary to implement the operator arrangement, including lease, operating, maintenance, insurance, financial, liquor-license, fundraising-support, transition, access, and related agreements.

This authorization is subject to the following conditions:

1. TIFA shall retain ownership of the Dawn Theater building and Class C liquor license unless otherwise approved by the full Board.
2. The initial lease or operating term shall be not less than three years unless otherwise approved by the full Board.
3. TIFA shall retain ownership of the Class C liquor license for at least one year. No sale, transfer, pledge, encumbrance, or option to purchase the license shall be effective unless separately approved by the full Board and approved by the Michigan Liquor Control Commission. Any future sale or transfer shall include a mandatory retransfer or buy-back provision requiring the license to return to TIFA if the operator ceases to operate at the Dawn Theater, leaves the premises, defaults, or otherwise fails to satisfy conditions established by TIFA or applicable law.
4. No alcoholic-beverage sales or service shall occur until the liquor-license structure is approved, accepted, or otherwise authorized by the Michigan Liquor Control Commission and all required insurance and compliance conditions are satisfied.
5. The final agreement shall protect TIFA's ownership interest in the building, liquor license, fixtures, public investment, insurance position, and long-term ability to preserve and operate the property.
6. The final agreement shall clearly address maintenance, repairs, utilities, insurance, code compliance, licensing compliance, reporting, access, default, termination, surrender of premises, and protection of TIFA-owned assets.
7. The final agreement shall include continuous-operation requirements, minimum-use expectations, reporting obligations, default remedies, and early-termination protections sufficient to protect TIFA from abandonment, underuse, unrecovered concessions, transition costs, legal and professional costs, MLCC-related costs,

building-preparation costs, and other damages if the operator fails to complete the minimum operating period.

8. Any reduced rent, rent abatement, Authority-funded cost, license-related cost, transition accommodation, or other Authority concession shall be documented and may be subject to repayment or recapture on an unamortized basis if the operator abandons the premises, ceases active operations, defaults, or terminates before the end of the minimum operating period.
9. The Board intends for the Friends of the Dawn Theater to continue serving as a fundraising, promotional, volunteer, community-programming, event-support, and donor-support organization for the Dawn Theater, subject to terms defined in a written agreement or written operating protocol approved under this authorization. Any such role shall be supportive of, and subordinate to, TIFA's ownership of the property and liquor license and to the operator's approved business operations. The Friends shall not control TIFA property, control the Dawn Theater calendar, direct the operator, bind TIFA, approve improvements, purchase or install fixtures or equipment for the premises, control liquor-license operations, represent that they possess authority from TIFA, or interfere with the operator's lawful business operations except as expressly authorized in writing.

Upon approval of the final documents by the Targeted Development Committee under this authorization, the Chairperson, Secretary, and any other officer or representative designated by the Committee are authorized to sign and deliver the final documents on behalf of the Authority.

The Targeted Development Committee may also authorize limited interim access, transition work, pre-opening preparation, marketing, planning, inspections, contractor access, and non-alcohol operations before final MLCC activation, provided that such access is documented in writing, insured, legally compliant, and does not permit alcoholic-beverage sales or service before all required MLCC approvals are effective.

The Targeted Development Committee shall report any final action taken under this authorization to the full Board at the next regular or special Board meeting.