

## **PROJECT PARTICIPATION AGREEMENT**

The New Mexico Economic Development Department ("EDD") and the City of a Raton, municipal corporation organized and existing under the law the State of New Mexico ("City"), agree:

1. Recitals:

A. Pursuant to the Local Economic Development Act, NMSA 1978, §§ 5-10-1 through 5-10-13, (LEDA), the City adopted the Ordinance No.991, authorizing the City to consider applications for economic development assistance, to include cultural facilities and approving an economic development project for the Historic Shuler Theater.

B. The City has submitted an application to EDD for assistance under the LEDA Capital Outlay Program. In the application, the City has proposed that the project provide for the purchase and installation of digital projection and sound for the Historic Shuler Theater, which is owned by the City of Raton. The Shuler Theater is operated by the City of Raton or its designated agents. The application also proposes that the City act as Fiscal Agent for approximately 12 months or until the Shuler Theater conducts its first regular digital movie screening or performance. The Shuler Theater will then develop the property using the grant monies to further restore and renovate the theater.

C. The City has adopted Ordinance No. 991 finding that the City is a qualifying entity as defined in Section 5-10-3 (G) NMSA 1978 and approving this Project Participation Agreement (this agreement) as meeting the requirements of LEDA.

2. Substantive Contribution by the City of Raton In order to implement the Project, the City will act as Fiscal Agent and Project Management. A minimum of two part time jobs will be created at the Shuler Theater within the first year of operation. Additionally, the Shuler Theater will begin regular operation of the digital film project no later than October 31, 2015. The terms and obligations of the parties under the Ordinance and Application are incorporated into this Agreement by reference.

3. Security Provided to EDD: EDD will require a Security Interest Document. Should the City cease operation of the Shuler Theater during the term of this agreement, it will repay \$100,000 to EDD. Any property or equipment acquired as a result of this Project, shall be transferred to the City and used by the City for future economic development purposes only.

4. Review: EDD will review the project timeline, progress and job creation annually until the one-year anniversary of this agreement. Job creation reporting will be supported by reports and documentation from the New Mexico Department of Workforce Solutions demonstrating the headcount of the operation to demonstrate

compliance with this Agreement at each review cycle annually, and another at thirty (30) days prior to the anniversary date of this Agreement, for a period of one year.

5. Ratification: EDD and the City hereby ratify all actions consistent with this Agreement that they or their respective agents may have taken in furtherance of the Project.

6. Miscellaneous: This Agreement binds and insures to the benefit of the parties and their respective successors and assigns. This Agreement may be amended or modified, and the performance by any party of its obligations hereunder may be waived, only in a written instrument duly executed by the parties. This Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together constitute one instrument. This Agreement is governed by and is to be construed in accordance with the laws of the State of New Mexico, without giving effect to its choice-of-law principles.

8. Term of Participation Agreement: Will be agreed upon through EDD and the City by the \_\_\_\_\_ of \_\_\_\_\_ until the first year anniversary.

Adopted and Approved by the City of Raton on this 23<sup>rd</sup> day of June, 2015.

\_\_\_\_\_  
Sandra Mantz, Mayor

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City of Raton

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Attest: Tricia Garcia, City Clerk

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Attest