

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4413

To provide grants and loan guarantees for the development and construction of science parks to promote the clustering of innovation through high technology activities.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 12, 2010

Ms. GIFFORDS (for herself and Mr. HEINRICH) introduced the following bill;  
which was referred to the Committee on Science and Technology

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## A BILL

To provide grants and loan guarantees for the development and construction of science parks to promote the clustering of innovation through high technology activities.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Science Parks Re-  
5 search and Innovative New Technologies Act”.

6 **SEC. 2. DEVELOPMENT OF SCIENCE PARKS.**

7 (a) FINDING.—Section 2 of the Stevenson-Wydler  
8 Technology Innovation Act of 1980 (15 U.S.C. 3701) is  
9 amended by adding at the end the following:

1           “(12) It is in the best interests of the Nation  
2           to encourage the formation of science parks to pro-  
3           mote the clustering of innovation through high tech-  
4           nology activities.”.

5           (b) DEFINITION.—Section 4 of such Act (15 U.S.C.  
6 3703) is amended by adding at the end the following:

7           “(12) ‘Brownfield’ means abandoned, idled, or  
8           underused industrial or commercial real property on  
9           which expansion or redevelopment is complicated by  
10          real or perceived environmental contamination.

11          “(13) ‘Business or industrial park’ means a pri-  
12          marily for-profit real estate venture of businesses or  
13          industries which do not necessarily reinforce each  
14          other through supply chain or technology transfer  
15          mechanisms.

16          “(14) ‘Cluster’ means a group of competing,  
17          collaborating, and interdependent businesses that—

18                  “(A) work in a common industry;

19                  “(B) are concentrated in a geographic re-  
20          gion;

21                  “(C) draw on shared infrastructure and a  
22          pool of skilled workers; and

23                  “(D) represent the specialization and com-  
24          parative advantage of the region.

25          “(15) ‘Science park’—

1           “(A) means a centralized or regionally dis-  
2 tributed group of interrelated companies and  
3 institutions, including suppliers, service pro-  
4 viders, institutions of higher education, Federal  
5 or State laboratories, start-up incubators, clus-  
6 ters, and trade associations that—

7           “(i) foster knowledge flow and con-  
8 tribute to regional economic growth and  
9 development;

10          “(ii) cooperate and compete with each  
11 other through physical connectivity or  
12 networked virtual parks where technologies  
13 cluster, including companies, researchers,  
14 and community college workforce training  
15 activities; and

16          “(iii) are located in a specific area or  
17 region that promotes real estate develop-  
18 ment or knowledge-based enterprises, tech-  
19 nology transfer, and partnerships between  
20 such companies and institutions;

21          “(B) includes a science park, research  
22 park, technology park, research and develop-  
23 ment park, research and technology park, and  
24 science and technology park; and

1           “(C) does not include a business or indus-  
2           trial park.

3           “(16) ‘Science park infrastructure’ means facili-  
4           ties that support the daily economic activity of a  
5           science park.”.

6           (c) SCIENCE PARKS.—The Stevenson-Wydler Tech-  
7           nology Innovation Act of 1980 (15 U.S.C. 3701 et seq.)  
8           is amended by adding at the end the following:

9           **“SEC. 24. SCIENCE PARKS.**

10          “(a) DEVELOPMENT OF PLANS FOR CONSTRUCTION  
11          OF SCIENCE PARKS.—

12           “(1) IN GENERAL.—The Secretary shall award  
13           grants for the development of feasibility studies and  
14           plans for the construction of new science parks or  
15           the expansion, including renovation and moderniza-  
16           tion, of existing science parks.

17           “(2) LIMITATION ON AMOUNT OF GRANTS.—  
18           The amount of a grant awarded under this sub-  
19           section may not exceed \$750,000.

20           “(3) AWARD.—

21           “(A) COMPETITION REQUIRED.—The Sec-  
22           retary shall award grants under this subsection  
23           pursuant to a full and open competition.

24           “(B) GEOGRAPHIC DISPERSION.—The Sec-  
25           retary is encouraged to divide the grants award-

1 ed under this subsection among low-, medium-  
2 , and high-population density States.

3 “(C) ADVERTISING.—The Secretary shall  
4 advertise any competition under this paragraph  
5 in the Commerce Business Daily.

6 “(D) SELECTION CRITERIA.—The Sec-  
7 retary shall publish the criteria to be utilized in  
8 any competition under this paragraph for the  
9 selection of recipients of grants under this sub-  
10 section, which shall include requirements relat-  
11 ing to—

12 “(i) the effect the science park will  
13 have on regional economic growth and de-  
14 velopment;

15 “(ii) the number of jobs to be created  
16 at the science park and in the surrounding  
17 regional community each year during its  
18 first 5 years;

19 “(iii) the funding to be required to  
20 construct or expand, including renovating  
21 or modernizing, the science park during its  
22 first 5 years;

23 “(iv) the amount and type of financ-  
24 ing and access to capital available to the  
25 applicant;

1           “(v) the types of businesses and re-  
2           search entities expected in the science park  
3           and in the surrounding regional commu-  
4           nity;

5           “(vi) letters of intent by businesses  
6           and research entities to locate in the  
7           science park;

8           “(vii) the quality of life for employees  
9           at the science park;

10          “(viii) the capability to attract a well  
11          trained workforce to the science park;

12          “(ix) the management of the science  
13          park;

14          “(x) expected financial risks in the  
15          construction and operation of the science  
16          park and the risk mitigation strategy;

17          “(xi) physical infrastructure available  
18          to the science park, including roads, utili-  
19          ties, and telecommunications;

20          “(xii) the utilization of energy effi-  
21          cient building technology, including nation-  
22          ally recognized green building design prac-  
23          tices, renewable energy, cogeneration, and  
24          other methods that increase energy effi-  
25          ciency and conservation;

1           “(xiii) consideration of the trans-  
2           formation of military bases affected by the  
3           base realignment and closure process  
4           (BRAC) or the redevelopment of existing  
5           buildings, structures, or brownfield sites  
6           that are abandoned, idled, or underused  
7           into single or multiple building facilities for  
8           science and technology companies and in-  
9           stitutions;

10           “(xiv) the ability to collaborate with  
11           other science parks throughout the world;  
12           and

13           “(xv) other criteria prescribed by the  
14           Secretary.

15           “(4) AUTHORIZATION OF APPROPRIATIONS.—

16           There are authorized to be appropriated \$7,500,000  
17           for each of the fiscal years 2011 through 2015 to  
18           carry out this subsection.

19           “(b) LOAN GUARANTEES FOR SCIENCE PARK INFRA-  
20           STRUCTURE.—

21           “(1) IN GENERAL.—Subject to paragraph (2),  
22           the Secretary may guarantee up to 80 percent of the  
23           loan amount for projects for the construction or ex-  
24           pansion, including renovation and modernization, of  
25           science park infrastructure.

1           “(2) LIMITATIONS ON GUARANTEE AMOUNTS.—

2           The maximum amount of loan principal guaranteed  
3           under this subsection may not exceed—

4                   “(A) \$50,000,000 with respect to any sin-  
5                   gle project; and

6                   “(B) \$500,000,000 with respect to all  
7                   projects.

8           “(3) SELECTION OF GUARANTEE RECIPI-

9           ENTS.—The Secretary shall select recipients of loan  
10           guarantees under this subsection based upon the  
11           ability of the recipient to collateralize the loan  
12           amount through bonds, equity, property, and other  
13           such criteria as the Secretary shall prescribe. Enti-  
14           ties receiving a grant under subsection (a) are not  
15           eligible for a loan guarantee during the period of  
16           such grant.

17           “(4) TERMS AND CONDITIONS FOR LOAN GUAR-

18           ANTEES.—The loans guaranteed under this sub-  
19           section shall be subject to such terms and conditions  
20           as the Secretary may prescribe, except that—

21                   “(A) the final maturity of such loans made  
22                   or guaranteed may not exceed the lesser of—

23                           “(i) 30 years and 32 days; or

1                   “(ii) 90 percent of the useful life of  
2                   any physical asset to be financed by such  
3                   loan;

4                   “(B) a loan made or guaranteed under this  
5                   subsection may not be subordinated to another  
6                   debt contracted by the borrower or to any other  
7                   claims against the borrowers in the case of de-  
8                   fault;

9                   “(C) a loan may not be guaranteed under  
10                  this subsection unless the Secretary determines  
11                  that the lender is responsible and that adequate  
12                  provision is made for servicing the loan on rea-  
13                  sonable terms and protecting the financial in-  
14                  terest of the United States;

15                  “(D) a loan may not be guaranteed under  
16                  this subsection if—

17                         “(i) the income from such loan is ex-  
18                         cluded from gross income for purposes of  
19                         chapter 1 of the Internal Revenue Code of  
20                         1986; or

21                         “(ii) the guarantee provides signifi-  
22                         cant collateral or security, as determined  
23                         by the Secretary, for other obligations the  
24                         income from which is so excluded;

1           “(E) any guarantee provided under this  
2 subsection shall be conclusive evidence that—

3                   “(i) the guarantee has been properly  
4 obtained;

5                   “(ii) the underlying loan qualified for  
6 such guarantee; and

7                   “(iii) absent fraud or material mis-  
8 representation by the holder, the guarantee  
9 is presumed to be valid, legal, and enforce-  
10 able;

11           “(F) the Secretary shall prescribe explicit  
12 standards for use in periodically assessing the  
13 credit risk of new and existing direct loans or  
14 guaranteed loans;

15           “(G) the Secretary may not extend credit  
16 assistance unless the Secretary has determined  
17 that there is a reasonable assurance of repay-  
18 ment; and

19           “(H) new loan guarantees may not be com-  
20 mitted except to the extent that appropriations  
21 of budget authority to cover their costs are  
22 made in advance, as required under section 504  
23 of the Federal Credit Reform Act of 1990 (2  
24 U.S.C. 661c).

25           “(5) PAYMENT OF LOSSES.—

1           “(A) IN GENERAL.—If, as a result of a de-  
2           fault by a borrower under a loan guaranteed  
3           under this subsection, after the holder has  
4           made such further collection efforts and insti-  
5           tuted such enforcement proceedings as the Sec-  
6           retary may require, the Secretary determines  
7           that the holder has suffered a loss, the Sec-  
8           retary shall pay to such holder the percentage  
9           of such loss specified in the guarantee contract.  
10          Upon making any such payment, the Secretary  
11          shall be subrogated to all the rights of the re-  
12          cipient of the payment. The Secretary shall be  
13          entitled to recover from the borrower the  
14          amount of any payments made pursuant to any  
15          guarantee entered into under this section.

16          “(B) ENFORCEMENT OF RIGHTS.—The At-  
17          torney General shall take such action as may be  
18          appropriate to enforce any right accruing to the  
19          United States as a result of the issuance of any  
20          guarantee under this section.

21          “(C) FORBEARANCE.—Nothing in this sec-  
22          tion may be construed to preclude any forbear-  
23          ance for the benefit of the borrower which may  
24          be agreed upon by the parties to the guaranteed  
25          loan and approved by the Secretary, if budget

1 authority for any resulting subsidy costs (as de-  
2 fined in section 502(5) of the Federal Credit  
3 Reform Act of 1990) is available.

4 “(D) MANAGEMENT OF PROPERTY.—Not-  
5 withstanding any other provision of law relating  
6 to the acquisition, handling, or disposal of prop-  
7 erty by the United States, the Secretary may  
8 complete, recondition, reconstruct, renovate, re-  
9 pair, maintain, operate, or sell any property ac-  
10 quired by the Secretary pursuant to this sec-  
11 tion.

12 “(6) REVIEW.—Not later than 2 years after the  
13 date of the enactment of this section, the Comp-  
14 troller General of the United States shall—

15 “(A) conduct a review of the subsidy esti-  
16 mates for the loan guarantees under this sub-  
17 section; and

18 “(B) submit to Congress a report on the  
19 review conducted under this paragraph.

20 “(7) TERMINATION.—A loan may not be guar-  
21 anteed under this subsection after September 30,  
22 2015.

23 “(8) AUTHORIZATION OF APPROPRIATIONS.—  
24 There are authorized to be appropriated—

1           “(A) \$35,000,000 for the cost (as defined  
2           in section 502(5) of the Federal Credit Reform  
3           Act of 1990) of guaranteeing \$500,000,000 in  
4           loans under this subsection; and

5           “(B) such sums as may be necessary for  
6           administrative expenses in fiscal year 2011 and  
7           thereafter.

8           “(c) NATIONAL ACADEMY OF SCIENCES EVALUA-  
9           TION.—

10           “(1) IN GENERAL.—Not later than 18 months  
11           after the date of the enactment of this Act, the Sec-  
12           retary shall enter into an agreement with the Board  
13           on Science, Technology, and Economic Policy of the  
14           National Academy of Sciences under which the  
15           Board shall—

16           “(A) conduct an evaluation of the activities  
17           under this section; and

18           “(B) review and recommend best practices  
19           for the development of United States science  
20           parks, including metrics for their success.

21           “(2) REPORT.—Under the agreement described  
22           in paragraph (1), the Board shall submit a report to  
23           the Secretary that—

1           “(A) includes the Board’s evaluation of  
2           science park development under this section;  
3           and

4           “(B) may include such recommendations  
5           as the Board considers appropriate for addi-  
6           tional activities to promote and facilitate the de-  
7           velopment of science parks in the United  
8           States.

9           “(d) TRI-ANNUAL REPORT.—Not later than March  
10          31, 2014, and every third year thereafter, the Secretary  
11          shall submit a report to Congress that—

12           “(1) describes the activities under this section  
13           during the preceding 3 years;

14           “(2) includes any recommendations made by  
15           the Board on Science, Technology, and Economic  
16           Policy under subsection (c)(2)(B) during such pe-  
17           riod; and

18           “(3) may include such recommendations for leg-  
19           islative or administrative action as the Secretary  
20           considers appropriate to further promote and facili-  
21           tate the development of science parks in the United  
22           States.

23           “(e) RULEMAKING.—Not later than 1 year after the  
24          date of the enactment of this section, the Secretary shall  
25          promulgate regulations to carry out this section in accord-

1 ance with Office of Management and Budget Circular A–  
2 129, entitled ‘Policies for Federal Credit Programs and  
3 Non-Tax Receivables’.”.

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