

Calendar No. 1061

110TH CONGRESS
2D SESSION**S. 3551****[Report No. 110–490]**

To amend the Public Works and Economic Development Act of 1965 to
reauthorize that Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24 (legislative day, SEPTEMBER 17), 2008

Mrs. BOXER, from the Committee on Environment and Public Works, re-
ported the following original bill; which was read twice and placed on the
calendar

A BILL

To amend the Public Works and Economic Development
Act of 1965 to reauthorize that Act, and for other purposes.

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 “Economic Development
5 Revitalization Act of 2008”.

1 **SEC. 2. DEFINITIONS.**

2 Section 3(8) of the Public Works and Economic De-
3 velopment Act of 1965 (42 U.S.C. 3122(8)) is amended—

4 (1) in subparagraph (C), by striking “and” at
5 the end;

6 (2) in subparagraph (D), by striking the period
7 at the end and inserting “; and”; and

8 (3) by adding at the end the following:

9 “(E) the Southeast Crescent Regional
10 Commission, Northern Border Regional Com-
11 mission, and Southwest Border Regional Com-
12 mission established by section 15301(a) of title
13 40, United States Code.”.

14 **SEC. 3. ECONOMIC DEVELOPMENT PARTNERSHIPS.**

15 Section 101 of the Public Works and Economic De-
16 velopment Act of 1965 (42 U.S.C. 3131) is amended—

17 (1) in subsection (b)—

18 (A) in the matter preceding paragraph (1),
19 by inserting “economic development districts,
20 university centers,” after “multi-State regional
21 organizations,”; and

22 (B) in paragraph (3), by inserting “, inno-
23 vation, entrepreneurship, sustainable develop-
24 ment,” after “infrastructure”;

1 (2) in subsection (c), by inserting “(including
2 economic development districts)” after “local govern-
3 ment agencies”; and

4 (3) by adding at the end the following:

5 “(e) EXCELLENCE IN ECONOMIC DEVELOPMENT
6 AWARDS.—

7 “(1) ESTABLISHMENT OF PROGRAM.—To rec-
8 ognize innovative economic development strategies of
9 national significance, the Secretary may establish
10 and carry out a program, to be known as the ‘Excel-
11 lence in Economic Development Award Program’
12 (referred to in this subsection as the ‘program’).

13 “(2) ELIGIBLE ENTITIES.—To be eligible for
14 recognition under the program, an entity shall be an
15 eligible recipient that is not a for-profit organization
16 or institution.

17 “(3) NOMINATIONS.—Before making an award
18 under the program, the Secretary shall solicit nomi-
19 nations publicly, in accordance with such selection
20 and evaluation procedures as the Secretary may es-
21 tablish in the solicitation.

22 “(4) CATEGORIES.—The categories of awards
23 under the program shall include awards for—

24 “(A) urban or suburban economic develop-
25 ment;

1 “(B) rural economic development;

2 “(C) environmental or energy economic de-
3 velopment;

4 “(D) economic diversification strategies
5 that respond to economic dislocations, including
6 economic dislocations caused by natural disas-
7 ters and military base realignment and closure
8 actions;

9 “(E) university-led strategies to enhance
10 economic development;

11 “(F) community entrepreneurship;

12 “(G) historic preservation-led strategies to
13 enhance economic development; and

14 “(H) such other categories as the Sec-
15 retary determines to be appropriate.

16 “(5) PROVISION OF AWARDS.—The Secretary
17 may provide to each entity selected to receive an
18 award under this subsection a plaque, bowl, or simi-
19 lar article to commemorate the accomplishments of
20 the entity.

21 “(6) FUNDING.—Of amounts made available to
22 carry out this Act, the Secretary may use not more
23 than \$2,000 for each fiscal year to carry out this
24 subsection.”.

1 **SEC. 4. GRANTS FOR PLANNING AND GRANTS FOR ADMIN-**
 2 **ISTRATIVE EXPENSES.**

3 Section 203 of the Public Works and Economic De-
 4 velopment Act of 1965 (42 U.S.C. 3143) is amended—

5 (1) in subsection (b)—

6 (A) in paragraph (3), by striking “and” at
 7 the end;

8 (B) in paragraph (4), by striking the pe-
 9 riod at the end and inserting “; and”; and

10 (C) by adding at the end the following:

11 “(5) fostering regional collaboration among
 12 local jurisdictions and organizations.”; and

13 (2) in subsection (d)(5), by striking “subsection
 14 shall” and all that follows through the end of the
 15 paragraph and inserting the following: “subsection
 16 shall—

17 “(A) submit to the Secretary an annual re-
 18 port on the planning process assisted under this
 19 subsection; and

20 “(B) provide a copy of each annual report
 21 to each economic development district within
 22 the State.”.

23 **SEC. 5. COST SHARING.**

24 (a) **FEDERAL SHARE.**—Section 204(a) of the Public
 25 Works and Economic Development Act of 1965 (42
 26 U.S.C. 3144(a)) is amended by striking “shall not ex-

1 ceed—” and all that follows through the end of the sub-
 2 section and inserting “shall not exceed 50 percent.”.

3 (b) INCREASE IN FEDERAL SHARE.—Section 204(c)
 4 of the Public Works and Economic Development Act of
 5 1965 (42 U.S.C. 3144(c)) is amended—

6 (1) by redesignating paragraphs (1) through
 7 (3) as paragraphs (2) through (4), respectively;

8 (2) by inserting before paragraph (2) (as redes-
 9 ignated by paragraph (1)) the following:

10 “(1) RELATIVE NEEDS OF AN AREA.—

11 “(A) 150-PERCENT HIGHER UNEMPLOY-
 12 MENT RATE.—In the case of a grant made in
 13 an area for which the 24-month unemployment
 14 rate is at least 150 percent of the national aver-
 15 age or the per capita income is not more than
 16 70 percent of the national average, the Sec-
 17 retary may increase the Federal share above the
 18 percentage specified in subsection (a) up to 60
 19 percent of the cost of the project.

20 “(B) 175-PERCENT HIGHER UNEMPLOY-
 21 MENT RATE.—In the case of a grant made in
 22 an area for which the 24-month unemployment
 23 rate is at least 175 percent of the national aver-
 24 age or the per capita income is not more than
 25 60 percent of the national average, the Sec-

retary may increase the Federal share above the percentage specified in subsection (a) up to 70 percent of the cost of the project.

“(C) 200-PERCENT HIGHER UNEMPLOYMENT RATE.—In the case of a grant made in an area for which the 24-month unemployment rate is at least 200 percent of the national average or the per capita income is not more than 50 percent of the national average, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 80 percent of the cost of the project.

“(D) ADDITIONAL CRITERIA.—The Secretary may establish eligibility criteria in addition to the criteria described in this paragraph to address areas impacted by severe outmigration, sudden and severe economic dislocations, and other related economic circumstances.”;

(3) in paragraph (2) (as redesignated by paragraph (1))—

(A) by striking “may” and inserting “shall”; and

(B) by inserting “to 75 percent of the cost of the project, and may increase” after “subsection (a)”; and

1 (4) by adding at the end the following:

2 “(5) FEDERALLY DECLARED DISASTER
3 AREAS.—In the case of a grant for an area with re-
4 spect to which a major disaster or emergency has
5 been declared under the Robert T. Stafford Disaster
6 Relief and Emergency Assistance Act (42 U.S.C.
7 5121 et seq.) during the 18-month period ending on
8 the date on which the Federal share is determined,
9 the Secretary may increase the Federal share above
10 the percentage specified in subsection (a) up to 100
11 percent of the cost of the project.”.

12 **SEC. 6. GRANTS FOR TRAINING, RESEARCH, AND TECH-**
13 **NICAL ASSISTANCE.**

14 Section 207(a) of the Public Works and Economic
15 Development Act of 1965 (42 U.S.C. 3147(a)) is amend-
16 ed—

17 (1) in paragraph (1), by inserting “, outmigra-
18 tion,” after “unemployment”; and

19 (2) in paragraph (2)—

20 (A) in subparagraph (H), by striking
21 “and” at the end;

22 (B) by redesignating subparagraph (I) as
23 subparagraph (J); and

24 (C) by inserting after subparagraph (H)
25 the following:

1 “(I) a peer exchange program to promote
 2 industry-leading practices and innovations relat-
 3 ing to the organizational development, program
 4 delivery, and regional initiatives of economic de-
 5 velopment districts; and”.

6 **SEC. 7. ENHANCEMENT OF RECIPIENT FLEXIBILITY TO**
 7 **DEAL WITH PROJECT ASSETS.**

8 (a) PARTICULAR COMMUNITY ASSISTANCE.—Section
 9 209(c)(5) of the Public Works and Economic Development
 10 Act of 1965 (42 U.S.C. 3149(c)(5)) is amended by insert-
 11 ing “, natural resource-based, agricultural, or service sec-
 12 tor” after “manufacturing”.

13 (b) REVOLVING LOAN FUND PROGRAM FLEXI-
 14 BILITY.—Section 209(d) of the Public Works and Eco-
 15 nomic Development Act of 1965 (42 U.S.C. 3149(d)) is
 16 amended—

17 (1) by redesignating paragraphs (2) through
 18 (4) as paragraphs (3) through (5), respectively;

19 (2) by inserting after paragraph (1) the fol-
 20 lowing:

21 “(2) COMMENTS.—

22 “(A) IN GENERAL.—The Secretary shall
 23 periodically solicit from the individuals and en-
 24 tities described in subparagraph (B)—

1 “(i) comments regarding the guide-
 2 lines and performance requirements for the
 3 revolving loan fund program; and

4 “(ii) recommendations for improving
 5 the performance of the program and grant-
 6 ees under the program.

7 “(B) DESCRIPTION OF INDIVIDUALS AND
 8 ENTITIES.—The individuals and entities re-
 9 ferred to in subparagraph (A) are—

10 “(i) the public; and

11 “(ii) in particular, revolving loan fund
 12 grantees, national experts, and employees
 13 of Federal agencies with knowledge of
 14 international, national, regional, and state-
 15 wide trends, innovations, and noteworthy
 16 practices relating to business development
 17 finance, including public and private lend-
 18 ing and technical assistance inter-
 19 mediaries.”;

20 (3) in subparagraph (A) of paragraph (5) (as
 21 redesignated by paragraph (1)), by striking “para-
 22 graph (2)(C)” and inserting “paragraph (3)(C)”;
 23 and

24 (4) by adding at the end the following:

25 “(6) CONVERSION OF PROJECT ASSETS.—

1 “(A) REQUEST.—If a recipient determines
2 that a revolving loan fund established using as-
3 sistance provided under this section is no longer
4 needed, or that the recipient could make better
5 use of the assistance in light of the current eco-
6 nomic development needs of the recipient if the
7 assistance was made available to carry out any
8 other project that meets the requirements of
9 this Act, the recipient may submit to the Sec-
10 retary a request to approve the conversion of
11 the assistance.

12 “(B) METHODS OF CONVERSION.—A re-
13 cipient the request to convert assistance of
14 which is approved under subparagraph (A) may
15 accomplish the conversion by—

16 “(i) selling to a third party any assets
17 of the applicable revolving loan fund; or

18 “(ii) retaining repayments of principal
19 and interest amounts on loans provided
20 through the applicable revolving loan fund.

21 “(C) REQUIREMENTS.—

22 “(i) SALE.—

23 “(I) IN GENERAL.—Subject to
24 subclause (II), a recipient shall use
25 the net proceeds from a sale of assets

1 under subparagraph (B)(i) to pay any
2 portion of the costs of 1 or more
3 projects that meet the requirements of
4 this Act.

5 “(II) TREATMENT.—For pur-
6 poses of subclause (I), a project de-
7 scribed in that subclause shall be con-
8 sidered to be eligible under section
9 301.

10 “(ii) RETENTION OF REPAYMENTS.—
11 Retention by a recipient of any repayment
12 under subparagraph (B)(ii) shall be carried
13 out in accordance with a strategic reuse
14 plan approved by the Secretary that pro-
15 vides for the increase of capital over time
16 until sufficient amounts (including interest
17 earned on the amounts) are accumulated
18 to fund other projects that meet the re-
19 quirements of this Act.

20 “(D) TERMS AND CONDITIONS.—The Sec-
21 retary may require such terms and conditions
22 regarding a proposed conversion of the use of
23 assistance under this paragraph as the Sec-
24 retary determines to be appropriate.

1 “(E) EXPEDIENCY REQUIREMENT.—The
 2 Secretary shall ensure that any assistance in-
 3 tended to be converted for use pursuant to this
 4 paragraph is used in an expeditious manner.

5 “(7) PROGRAM ADMINISTRATION.—The Sec-
 6 retary may allocate not more than 2 percent of the
 7 amounts made available for grants under this sec-
 8 tion for the development and maintenance of an
 9 automated tracking and monitoring system to ensure
 10 the proper operation and financial integrity of the
 11 revolving loan program established under this sec-
 12 tion.”.

13 **SEC. 8. BRIGHTFIELDS DEMONSTRATION PROGRAM.**

14 Section 218(d) of the Public Works and Economic
 15 Development Act of 1965 (42 U.S.C. 3154d(d)) is amend-
 16 ed by striking “2004 through 2008” and inserting “2009
 17 through 2013”.

18 **SEC. 9. DESIGNATION OF ECONOMIC DEVELOPMENT DIS-**
 19 **TRICTS.**

20 Section 401 of the Public Works and Economic De-
 21 velopment Act of 1965 (42 U.S.C. 3171) is amended by
 22 adding at the end the following:

23 “(c) OPERATIONS.—

24 “(1) IN GENERAL.—Each economic develop-
 25 ment district shall engage in the full range of eco-

9 “(B) carrying out economic development
10 research, planning, implementation, and advi-
11 sory functions identified in the comprehensive
12 economic development strategy; and

17 “(2) CONTRACTS.—An economic development
18 district may elect to enter into contracts for services
19 to accomplish the activities described in paragraph
20 (1).”.

Section 503(a) of the Public Works and Economic
Development Act of 1965 (42 U.S.C. 3193(a)) is amended

1 by inserting “, outmigration,” after “regional unemploy-
2 ment”.

3 **SEC. 11. NOTIFICATION OF REORGANIZATION.**

4 Section 507 of the Public Works and Economic De-
5 velopment Act of 1965 (42 U.S.C. 3197) is amended—

6 (1) by striking “Not later than” and inserting
7 the following:

8 “(a) NOTIFICATION.—Not later than”; and

9 (2) by adding at the end the following:

10 “(b) STATE OF MONTANA.—The State of Montana
11 shall be served by the Seattle office of the Economic De-
12 velopment Administration.”.

13 **SEC. 12. MAINTENANCE OF EFFORT.**

14 Title VI of the Public Works and Economic Develop-
15 ment Act of 1965 (42 U.S.C. 3211 et seq.) is amended
16 by adding at the end the following:

17 **“SEC. 613. MAINTENANCE OF EFFORT.**

18 “(a) EXPECTED PERIOD OF BEST EFFORTS.—

19 “(1) ESTABLISHMENT.—To carry out the pur-
20 poses of this Act, before providing investment assist-
21 ance for a construction project under this Act, the
22 Secretary shall establish the expected period during
23 which the recipient of the assistance shall make best
24 efforts to achieve the economic development objec-
25 tives of the assistance.

1 “(2) TREATMENT OF PROPERTY.—To obtain
2 the best efforts of a recipient during the period es-
3 tablished under paragraph (1), during that period—

4 “(A) any property that is acquired or im-
5 proved, in whole or in part, using investment
6 assistance under this Act shall be held in trust
7 by the recipient for the benefit of the project;
8 and

9 “(B) the Secretary shall retain an undi-
10 vided equitable reversionary interest in the
11 property.

12 “(3) TERMINATION OF FEDERAL INTEREST.—

13 “(A) IN GENERAL.—Beginning on the date
14 on which the Secretary determines that a recipi-
15 ent has fulfilled the obligations of the recipient
16 for the applicable period under paragraph (1),
17 taking into consideration the economic condi-
18 tions existing during that period, the Secretary
19 may terminate the reversionary interest of the
20 Secretary in any applicable property under
21 paragraph (2)(B).

22 “(B) ALTERNATIVE METHOD OF TERMI-
23 NATION.—

24 “(i) IN GENERAL.—On a determina-
25 tion by a recipient that the economic devel-

1 opment needs of the recipient have
2 changed during the period beginning on
3 the date on which investment assistance
4 for a construction project is provided
5 under this Act and ending on the expira-
6 tion of the expected period established for
7 the project under paragraph (1), the re-
8 cipient may submit to the Secretary a re-
9 quest to terminate the reversionary inter-
10 est of the Secretary in property of the
11 project under paragraph (2)(B) before the
12 date described in subparagraph (A).

13 “(ii) APPROVAL.—The Secretary may
14 approve a request of a recipient under
15 clause (i) if—

16 “(I) in any case in which the re-
17 request is submitted during the 10-year
18 period beginning on the date on which
19 assistance is initially provided under
20 this Act for the applicable project, the
21 recipient repays to the Secretary an
22 amount equal to 100 percent of the
23 fair market value of the pro rata Fed-
24 eral share of the project; or

1 “(II) in any case in which the re-
2 quest is submitted after the expiration
3 of the 10-year period described in sub-
4 clause (I), the recipient repays to the
5 Secretary an amount equal to the fair
6 market value of the pro rata Federal
7 share of the project as if that value
8 had been amortized over the period
9 established under paragraph (1),
10 based on a straight-line depreciation
11 of the project throughout the esti-
12 mated useful life of the project.

13 “(b) TERMS AND CONDITIONS.—The Secretary may
14 establish such terms and conditions under this section as
15 the Secretary determines to be appropriate, including by
16 extending the period of a reversionary interest of the Sec-
17 retary under subsection (a)(2)(B) in any case in which the
18 Secretary determines that the performance of a recipient
19 is unsatisfactory.

20 “(c) PREVIOUSLY EXTENDED ASSISTANCE.—With
21 respect to any recipient to which the term of provision of
22 assistance was extended under this Act before the date
23 of enactment of this section, the Secretary may approve
24 a request of the recipient under subsection (a) in accord-
25 ance with the requirements of this section to ensure uni-

1 form administration of this Act, notwithstanding any esti-
 2 mated useful life period that otherwise relates to the as-
 3 sistance.

4 “(d) CONVERSION OF USE.—If a recipient of assist-
 5 ance under this Act demonstrates to the Secretary that
 6 the intended use of the project for which assistance was
 7 provided under this Act no longer represents the best use
 8 of the property used for the project, the Secretary may
 9 approve a request by the recipient to convert the property
 10 to a different use for the remainder of the term of the
 11 Federal interest in the property, subject to the condition
 12 that the new use shall be consistent with the purposes of
 13 this Act.

14 “(e) STATUS OF AUTHORITY.—The authority of the
 15 Secretary under this section is in addition to any authority
 16 of the Secretary pursuant to any law or grant agreement
 17 in effect on the date of enactment of this section.”.

18 **SEC. 13. EXTENSION OF AUTHORIZATION OF APPROPRIA-**
 19 **TIONS.**

20 Section 701(a) of the Public Works and Economic
 21 Development Act of 1965 (42 U.S.C. 3231(a)) is amend-
 22 ed—

23 (1) in paragraph (1), by striking “2004” and
 24 inserting “2009”;

1 (2) in paragraph (2), by striking “2005” and
2 inserting “2010”;

3 (3) in paragraph (3), by striking “2006” and
4 inserting “2011”;

5 (4) in paragraph (4), by striking “2007” and
6 inserting “2012”; and

7 (5) in paragraph (5), by striking “2008” and
8 inserting “2013”.

9 **SEC. 14. FUNDING FOR GRANTS FOR PLANNING AND**
10 **GRANTS FOR ADMINISTRATIVE EXPENSES.**

11 Section 704 of the Public Works and Economic De-
12 velopment Act of 1965 (42 U.S.C. 3234) is amended to
13 read as follows:

14 **“SEC. 704. FUNDING FOR GRANTS FOR PLANNING AND**
15 **GRANTS FOR ADMINISTRATIVE EXPENSES.**

16 “(a) IN GENERAL.—Subject to subsection (b), of the
17 amounts made available under section 701 for each fiscal
18 year, not less than \$27,000,000 shall be made available
19 to provide grants under section 203.

20 “(b) SUBJECT TO TOTAL APPROPRIATIONS.—For
21 any fiscal year, the amount made available pursuant to
22 subsection (a) shall be increased to—

23 “(1) \$28,000,000, if the total amount made
24 available under subsection 701(a) for the fiscal year
25 is equal to or greater than \$280,000,000;

1 “(2) \$29,500,000, if the total amount made
2 available under subsection 701(a) for the fiscal year
3 is equal to or greater than \$320,000,000;

4 “(3) \$31,000,000, if the total amount made
5 available under subsection 701(a) for the fiscal year
6 is equal to or greater than \$350,000,000;

7 “(4) \$32,500,000, if the total amount made
8 available under subsection 701(a) for the fiscal year
9 is equal to or greater than \$380,000,000; and

10 “(5) \$34,500,000, if the total amount made
11 available under subsection 701(a) for the fiscal year
12 is equal to or greater than \$420,000,000.”.

Calendar No. 1061

110TH CONGRESS
2^D Session

S. 3551

[Report No. 110-490]

A BILL

To amend the Public Works and Economic Development Act of 1965 to reauthorize that Act, and for other purposes.

SEPTEMBER 24 (legislative day, SEPTEMBER 17), 2008

Read twice and placed on the calendar