

Union Calendar No. 390

111TH CONGRESS
2^D SESSION

H. R. 5897

[Report No. 111-652, Part I]

To reauthorize and improve programs and activities carried out under the Public Works and Economic Development Act of 1965, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2010

Mr. OBERSTAR (for himself, Ms. NORTON, Mr. RAHALL, Mr. FILNER, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CUMMINGS, Mr. BISHOP of New York, Mr. CARNAHAN, Ms. HIRONO, Mr. ARCURI, Mr. KAGEN, Ms. RICHARDSON, Mr. HARE, and Mr. JOHNSON of Georgia) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

SEPTEMBER 29, 2010

Additional sponsor: Mr. MICHAUD

SEPTEMBER 29, 2010

Reported from the Committee on Transportation and Infrastructure with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

SEPTEMBER 29, 2010

Committee on Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on July 28, 2010]

A BILL

To reauthorize and improve programs and activities carried out under the Public Works and Economic Development Act of 1965, 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; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Economic Revitalization and Innovation Act of 2010”.*

6 (b) *TABLE OF CONTENTS.*—

Sec. 1. Short title; table of contents.

Sec. 2. Amendments to Public Works and Economic Development Act of 1965.

Sec. 3. Findings and declarations.

Sec. 4. Definitions.

**TITLE I—ECONOMIC DEVELOPMENT PARTNERSHIPS COOPERATION
AND COORDINATION**

Sec. 101. Establishment of economic development partnerships.

Sec. 102. Encouragement of certain coordination.

Sec. 103. Coordination with respect to high-speed rail.

**TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC
DEVELOPMENT**

Sec. 201. Grants for public works and economic development.

Sec. 202. Grants for planning and grants for administrative expenses.

Sec. 203. Cost sharing.

Sec. 204. Grants for training, research, and technical assistance.

*Sec. 205. Financial assistance for business incubators and science and research
parks.*

Sec. 206. Grants for economic adjustment.

Sec. 207. Sustainable economic development demonstration program.

Sec. 208. Job creation goals.

Sec. 209. Prohibition with respect to use of assistance.

**TITLE III—ELIGIBILITY; COMPREHENSIVE ECONOMIC
DEVELOPMENT STRATEGIES**

Sec. 301. Eligibility of areas.

Sec. 302. Comprehensive economic development strategies.

TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

Sec. 401. Designation of economic development districts.

Sec. 402. Termination or modification of economic development districts.

TITLE V—ADMINISTRATION

Sec. 501. Consultation with other persons and agencies.

Sec. 502. Performance evaluations of grant recipients.

Sec. 503. Economic development representatives.

Sec. 504. Limitation on certain positions.

TITLE VI—MISCELLANEOUS

Sec. 601. *Annual report to Congress.*

Sec. 602. *Maintenance of effort.*

TITLE VII—FUNDING

Sec. 701. *General authorization of appropriations.*

Sec. 702. *Funding for grants for planning and grants for administrative expenses.*

Sec. 703. *Funding for financial assistance for business incubators and science and research parks.*

Sec. 704. *Funding for sustainable economic development demonstration program.*

Sec. 705. *Funding for grants for training, research, and technical assistance.*

1 **SEC. 2. AMENDMENTS TO PUBLIC WORKS AND ECONOMIC**
 2 **DEVELOPMENT ACT OF 1965.**

3 *Except as otherwise expressly provided, whenever in*
 4 *this Act an amendment or repeal is expressed in terms of*
 5 *an amendment to, or a repeal of, a section or other provi-*
 6 *sion, the reference shall be considered to be made to a section*
 7 *or other provision of the Public Works and Economic Devel-*
 8 *opment Act of 1965 (42 U.S.C. 3121 et seq.).*

9 **SEC. 3. FINDINGS AND DECLARATIONS.**

10 *(a) FINDINGS.—Section 2(a) (42 U.S.C. 3121(a)) is*
 11 *amended to read as follows:*

12 *“(a) FINDINGS.—Congress finds that—*

13 *“(1) sustainable economic growth in the 21st*
 14 *century depends upon economic development strate-*
 15 *gies that include investment in essential infrastruc-*
 16 *ture that fosters innovation, entrepreneurship, and*
 17 *competition in the global marketplace;*

18 *“(2) there continue to be areas of the United*
 19 *States experiencing chronic high unemployment,*

1 *underemployment, outmigration, and low per capita*
2 *income, as well as areas facing sudden and severe eco-*
3 *nomie dislocations due to structural economic*
4 *changes, increasing international competition, certain*
5 *Federal actions (including defense-related facility clo-*
6 *sures and realignment and actions required to coun-*
7 *teract the depletion of natural resources), and natural*
8 *disasters;*

9 *“(3) the goal of Federal economic development*
10 *programs is to raise the standard of living for all*
11 *citizens and increase the wealth and overall rate of*
12 *growth of the economy by encouraging regions and*
13 *communities to develop a more competitive and diver-*
14 *sified economic base, including by—*

15 *“(A) expanding economic opportunities, in-*
16 *creasing international competitiveness, and cre-*
17 *ating a climate supportive of job creation and*
18 *business development;*

19 *“(B) creating an environment that promotes*
20 *public infrastructure investments that maximize*
21 *sustainable development practices;*

22 *“(C) promoting private sector job creation*
23 *through increased innovation, productivity, and*
24 *entrepreneurship; and*

1 “(D) empowering local and regional com-
2 munities experiencing chronic high unemploy-
3 ment, underemployment, outmigration, and low
4 per capita income to develop private sector busi-
5 ness and attract increased domestic and foreign
6 private sector capital investment, including
7 through the location of information technology,
8 agribusiness, alternative energy, manufacturing,
9 and bioscience jobs in the United States and the
10 relocation of such jobs to the United States;

11 “(4) economic growth in the States, including in
12 both cities and rural areas, can best be promoted by
13 helping communities invest in regional strategies that
14 build upon unique competitive advantages and are
15 designed to foster innovation and entrepreneurship in
16 all segments of the community’s economy;

17 “(5) while economic development is an inher-
18 ently local process, the Federal Government should
19 work in partnership with public and private organi-
20 zations at the State, regional, tribal, and local levels
21 to maximize the impact of existing resources and en-
22 able regions, communities, and citizens to participate
23 more fully in the American dream and national pros-
24 perity;

1 “(6) in order to avoid duplication of effort and
2 achieve meaningful, long-lasting results, Federal,
3 State, tribal, and local economic development activi-
4 ties should have a clear focus, improved coordination,
5 a comprehensive approach, and simplified and con-
6 sistent requirements; and

7 “(7) Federal economic development efforts will be
8 more effective if the efforts are coordinated with, and
9 build upon, the trade, workforce investment, higher
10 education, transportation, energy, environmental pro-
11 tection, and technology programs of the United
12 States.”.

13 (b) *DECLARATIONS.*—Section 2(b) (42 U.S.C. 3121(b))
14 is amended to read as follows:

15 “(b) *DECLARATIONS.*—In order to promote a strong
16 and growing economy throughout the United States, Con-
17 gress declares that—

18 “(1) assistance under this Act should be made
19 available to distressed communities in both rural and
20 urban areas;

21 “(2) local communities should work in partner-
22 ship with neighboring communities, economic develop-
23 ment districts, States, Indian tribes, institutions of
24 higher education, national security laboratories, the
25 private sector, and the Federal Government to in-

1 crease the capacity of those local communities to de-
2 velop and implement comprehensive economic devel-
3 opment strategies to alleviate economic distress and
4 enhance competitiveness in the global economy, in-
5 cluding national security laboratories;

6 “(3) whether suffering from long-term distress or
7 a sudden dislocation, distressed communities should
8 be encouraged to take affirmative steps to promote in-
9 novation and entrepreneurship, including through the
10 formation of business incubators, to help create higher
11 skill, higher wage jobs and foster the participation of
12 those distressed communities in the global market-
13 place;

14 “(4) assistance under this Act should be made
15 available to promote sustainable economic develop-
16 ment practices, to assist communities with the pro-
17 ductive reuse of abandoned industrial facilities and
18 the redevelopment of brownfields, and to leverage sig-
19 nificant Federal investments in high-speed rail cor-
20 ridors and other transportation infrastructure; and

21 “(5) research assistance under this Act should
22 help regions across the United States leverage the eco-
23 nomic assets of those regions in a comprehensive man-
24 ner and should enhance the Economic Development
25 Administration’s ability to provide an economic de-

1 *velopment framework to assist distressed communities*
 2 *and regions, with particular emphasis on revitalizing*
 3 *the manufacturing, agribusiness, and bioscience in-*
 4 *dustries and the linkages between urban and rural*
 5 *communities.”.*

6 **SEC. 4. DEFINITIONS.**

7 *Section 3(8) (42 U.S.C. 3122(8)) is amended—*

8 *(1) in subparagraph (C) by striking “and” at*
 9 *the end;*

10 *(2) in subparagraph (D) by striking the period*
 11 *at the end and inserting a semicolon; and*

12 *(3) by adding at the end the following:*

13 *“(E) the Southeast Crescent Regional Com-*
 14 *mission established under section 15301(a) of*
 15 *title 40, United States Code;*

16 *“(F) the Northern Border Regional Com-*
 17 *mission established under section 15301(a) of*
 18 *title 40, United States Code; and*

19 *“(G) the Southwest Border Regional Com-*
 20 *mission established under section 15301(a) of*
 21 *title 40, United States Code.”.*

1 **TITLE I—ECONOMIC DEVELOP-**
2 **MENT PARTNERSHIPS CO-**
3 **OPERATION AND COORDINA-**
4 **TION**

5 **SEC. 101. ESTABLISHMENT OF ECONOMIC DEVELOPMENT**
6 **PARTNERSHIPS.**

7 (a) *TECHNICAL ASSISTANCE.*—Section 101(b) (42
8 *U.S.C. 3131(b)) is amended—*

9 (1) *in the matter preceding paragraph (1) by in-*
10 *serting after “nonprofit organizations” the following:*
11 *“, including economic development districts and uni-*
12 *versity centers,”; and*

13 (2) *by striking paragraphs (2) and (3) and in-*
14 *serting the following:*

15 “(2) *encourage and support public-private part-*
16 *nerships for the formation and improvement of eco-*
17 *nomi c development strategies, including regional*
18 *strategies, that sustain and promote innovation and*
19 *entrepreneurship that is critical to economic competi-*
20 *tiveness throughout the United States; and*

21 “(3) *promote investment in infrastructure, inno-*
22 *vation, entrepreneurship, sustainable development,*
23 *and technological capacity (including with respect to*
24 *advanced technologies in all industry sectors) to keep*
25 *pace with the changing global economy.”.*

1 (b) *INTERGOVERNMENTAL REVIEW*.—Section 101(c)
 2 (42 U.S.C. 3131(c)) is amended by inserting after “govern-
 3 ment agencies” the following: “and appropriate economic
 4 development districts”.

5 **SEC. 102. ENCOURAGEMENT OF CERTAIN COORDINATION.**

6 (a) *IN GENERAL*.—Title I (42 U.S.C. 3131 et seq.) is
 7 amended by adding at the end the following:

8 **“SEC. 104. ENCOURAGEMENT OF CERTAIN COORDINATION.**

9 *“In carrying out this Act, the Secretary is authorized*
 10 *and encouraged to consult and cooperate with any Federal,*
 11 *State, or local government agency or consortium of govern-*
 12 *mental organizations that can assist in addressing chal-*
 13 *lenges and capitalizing on opportunities that require co-*
 14 *ordination, including the Department of Labor with respect*
 15 *to supporting economic and workforce development strate-*
 16 *gies and promoting regional innovation clusters.”.*

17 (b) *CLERICAL AMENDMENT*.—The table of contents in
 18 section 1(b) is amended by inserting after the item relating
 19 to section 103 the following:

“Sec. 104. Encouragement of certain coordination.”.

20 **SEC. 103. COORDINATION WITH RESPECT TO HIGH-SPEED**
 21 **RAIL.**

22 (a) *IN GENERAL*.—Title I (42 U.S.C. 3131 et seq.),
 23 as amended by this Act, is further amended by adding at
 24 the end the following:

1 **“SEC. 105. COORDINATION WITH RESPECT TO HIGH-SPEED**
 2 **RAIL.**

3 *“The Secretary shall coordinate activities carried out*
 4 *under this Act, as appropriate, with the Department of*
 5 *Transportation and other relevant Federal agencies, State*
 6 *and local governments, economic development districts, In-*
 7 *dian tribes, and planning and development organizations*
 8 *to leverage and maximize the economic development poten-*
 9 *tial of Federal investments in high-speed rail projects. In*
 10 *carrying out this section, the Secretary shall conduct studies*
 11 *and disseminate reports, as appropriate, with respect to*
 12 *high-speed rail projects.”.*

13 (b) *CLERICAL AMENDMENT.—The table of contents in*
 14 *section 1(b), as amended by this Act, is further amended*
 15 *by inserting after the item relating to section 104 the fol-*
 16 *lowing:*

“Sec. 105. Coordination with respect to high-speed rail.”.

17 **TITLE II—GRANTS FOR PUBLIC**
 18 **WORKS AND ECONOMIC DE-**
 19 **VELOPMENT**

20 **SEC. 201. GRANTS FOR PUBLIC WORKS AND ECONOMIC DE-**
 21 **VELOPMENT.**

22 *Section 201(a)(1) (42 U.S.C. 3141(a)(1)) is amended*
 23 *by inserting after “development facility” the following:*
 24 *“(including a facility of a business incubator or a science*

1 *and research park (as such terms are defined in section*
 2 *208(a))”.*

3 **SEC. 202. GRANTS FOR PLANNING AND GRANTS FOR ADMIN-**
 4 **ISTRATIVE EXPENSES.**

5 *(a) IN GENERAL.—Section 203(a) (42 U.S.C. 3143(a))*
 6 *is amended by inserting after “administrative expenses” the*
 7 *following: “(including indirect costs determined eligible in*
 8 *an applicable Office of Management and Budget circular)”.*

9 *(b) PLANNING PROCESS.—Section 203(b) (42 U.S.C.*
 10 *3143(b)) is amended—*

11 *(1) in paragraph (3) by striking “and” at the*
 12 *end;*

13 *(2) in paragraph (4) by striking “and increase*
 14 *incomes.” and inserting “and systemic economic dis-*
 15 *tress and increase incomes by fostering entrepreneur-*
 16 *ship and innovation across all regional industry sec-*
 17 *tors; and”;* and

18 *(3) by adding at the end the following:*

19 *“(5) fostering regional collaboration.”.*

20 *(c) STATE PLANS.—Section 203(d)(4) (42 U.S.C.*
 21 *3143(d)(4)) is amended—*

22 *(1) in the matter preceding subparagraph (A) by*
 23 *inserting after “public works” the following: “and*
 24 *other types of assistance”;*

1 (2) in subparagraph (C) by inserting after “en-
 2 vironment” the following: “, including through effi-
 3 cient energy production, utilization, and facility de-
 4 velopment”;

5 (3) in subparagraph (E)—

6 (A) by inserting after “use” the following:
 7 “and deployment”; and

8 (B) by striking “and” at the end;

9 (4) in subparagraph (F) by striking the period
 10 at the end and inserting “; and”; and

11 (5) by adding at the end the following:

12 “(G) support sustainable development prac-
 13 tices and the efficient coordination and
 14 leveraging of public and private investments.”.

15 **SEC. 203. COST SHARING.**

16 Section 204(c) (42 U.S.C. 3144(c)) is amended—

17 (1) in paragraph (2) by inserting after “State or
 18 political subdivision” the following: “or that the Sec-
 19 retary determines has been affected by substantial de-
 20 clines in tax revenue”; and

21 (2) in paragraph (3)—

22 (A) in the heading by striking “TRAINING”
 23 and inserting “PLANNING, TRAINING”;

24 (B) by striking “section 207” and inserting
 25 “section 203 or 207”; and

1 (C) by inserting after “such an increase”
 2 the following: “or if grant supported activities
 3 will include regional planning to build on com-
 4 petitive advantages available regionally”.

5 **SEC. 204. GRANTS FOR TRAINING, RESEARCH, AND TECH-**
 6 **NICAL ASSISTANCE.**

7 (a) GRANTS.—Section 207(a)(1) (42 U.S.C.
 8 3147(a)(1)) is amended by striking “or underemployment”
 9 and inserting “, underemployment, or outmigration”.

10 (b) TYPES OF ASSISTANCE.—Section 207(a)(2) (42
 11 U.S.C. 3147(a)(2)) is amended—

12 (1) in subparagraph (D) by inserting after “cen-
 13 ters” the following: “, with the goal that at least one
 14 university center is established in each State”; and

15 (2) by striking subparagraphs (H) and (I) and
 16 inserting the following:

17 “(H) studies that evaluate the effectiveness
 18 of regional innovation clusters and determine
 19 best practices with respect to the support pro-
 20 vided by entrepreneurial infrastructure, includ-
 21 ing business incubators;

22 “(I) a peer exchange program to promote
 23 best practices and innovation with respect to the
 24 organizational development, program delivery,

1 *and regional initiatives of economic development*
 2 *districts;*

3 “(J) *development and promotion of per-*
 4 *formance measures and best practices with re-*
 5 *spect to commercialization and entrepreneurship;*

6 “(K) *developing or implementing county or*
 7 *municipal government efficiency assessments re-*
 8 *lated to economic development or community vi-*
 9 *ability; and*

10 “(L) *other activities determined by the Sec-*
 11 *retary to be appropriate.”.*

12 (c) *HIGH-SPEED RAIL.—Section 207(a) (42 U.S.C.*
 13 *3147(a)) is amended by adding at the end the following:*

14 “(4) *HIGH-SPEED RAIL.—In making a grant*
 15 *under this subsection for the establishment of a uni-*
 16 *versity center, the Secretary shall ensure, if appro-*
 17 *priate, that the activities of the center will include*
 18 *conducting research and providing technical assist-*
 19 *ance to leverage and maximize the economic develop-*
 20 *ment potential of Federal investments in high-speed*
 21 *rail projects.”.*

22 **SEC. 205. FINANCIAL ASSISTANCE FOR BUSINESS INCUBA-**
 23 **TORS AND SCIENCE AND RESEARCH PARKS.**

24 (a) *IN GENERAL.—Title II (42 U.S.C. 3141 et seq.)*
 25 *is amended by inserting after section 207 the following:*

1 **“SEC. 208. FINANCIAL ASSISTANCE FOR BUSINESS INCUBA-**
 2 **TORS AND SCIENCE AND RESEARCH PARKS.**

3 “(a) *DEFINITIONS.—In this section, the following defi-*
 4 *nitions apply:*

5 “(1) *BUSINESS INCUBATOR.—The term ‘business*
 6 *incubator’ means a program established to foster the*
 7 *creation of new businesses and accelerate the growth*
 8 *of early-stage businesses by providing entrepreneurs*
 9 *and early-stage businesses with the resources and*
 10 *services to produce viable businesses that can help cre-*
 11 *ate jobs in and restore vitality to communities.*

12 “(2) *BUSINESS INCUBATOR DEVELOPMENT*
 13 *PROJECT.—The term ‘business incubator development*
 14 *project’ means a project to construct or alter facilities*
 15 *for a business incubator, including the acquisition of*
 16 *real property necessary to carry out the construction*
 17 *or alteration.*

18 “(3) *SCIENCE AND RESEARCH PARK.—The term*
 19 *‘science and research park’ means a program that—*

20 “(A) *includes property and buildings de-*
 21 *signed primarily for—*

22 “(i) *research and development activi-*
 23 *ties conducted by public-private partners;*

24 “(ii) *technology- and science-based*
 25 *businesses; or*

1 “(iii) research and development sup-
2 port services;

3 “(B) includes a contractual relationship
4 with one or more institutions of higher education
5 or government or nonprofit research laboratories,
6 including national security laboratories;

7 “(C) has a primary mission of—

8 “(i) promoting research and develop-
9 ment through industry partnerships, assist-
10 ing the growth of new ventures, and pro-
11 moting innovation-driven economic develop-
12 ment;

13 “(ii) facilitating the transfer of tech-
14 nology and business skills between research-
15 ers and industry teams; and

16 “(iii) promoting technology-led eco-
17 nomic development for the community or
18 region in which the program is located; and

19 “(D) is owned by a government or nonprofit
20 entity (although the government or nonprofit en-
21 tity may enter into partnerships or joint ven-
22 tures with for-profit entities to develop or man-
23 age specific components of the program).

24 “(4) SCIENCE AND RESEARCH PARK DEVELOP-
25 MENT PROJECT.—The term ‘science and research park

1 *development project’ means a project to construct or*
 2 *alter facilities for a science and research park, includ-*
 3 *ing the acquisition of real property necessary to carry*
 4 *out the construction or alteration.*

5 “(b) *FINANCIAL ASSISTANCE.—On the application of*
 6 *an eligible recipient, the Secretary may provide financial*
 7 *assistance in accordance with this section to assist the devel-*
 8 *opment of business incubators and science and research*
 9 *parks.*

10 “(c) *GRANTS FOR PLANS FOR SCIENCE AND RE-*
 11 *SEARCH PARKS.—*

12 “(1) *GRANT AUTHORITY.—In accordance with*
 13 *this subsection, the Secretary may award a grant to*
 14 *an eligible recipient for the development of a feasi-*
 15 *bility study or development plan, or both, with re-*
 16 *spect to a science and research park development*
 17 *project.*

18 “(2) *AMOUNT OF A GRANT.—A grant awarded*
 19 *under paragraph (1) may not be in an amount that*
 20 *exceeds \$750,000.*

21 “(3) *SELECTION PROCESS.—*

22 “(A) *SELECTION CRITERIA.—Not later than*
 23 *180 days after the date of enactment of the Eco-*
 24 *nomic Revitalization and Innovation Act of*
 25 *2010, the Secretary shall publish the criteria to*

1 *be utilized for the selection of grant recipients*
 2 *under paragraph (1).*

3 “(B) *COMPETITION REQUIRED.*—*The Sec-*
 4 *retary shall award grants under paragraph (1)*
 5 *pursuant to a full and open competition.*

6 “(C) *GEOGRAPHIC DIVERSITY.*—*In award-*
 7 *ing grants under paragraph (1), the Secretary*
 8 *shall ensure, to the extent practicable, that grant*
 9 *recipients represent diverse geographic areas of*
 10 *the United States, including rural and urban*
 11 *areas.*

12 “(4) *PROGRAM LIMIT.*—*The Secretary may not*
 13 *award, in the aggregate, more than \$7,500,000 in*
 14 *grants under paragraph (1).*

15 “(d) *LOAN GUARANTEES FOR BUSINESS INCUBATORS*
 16 *AND SCIENCE AND RESEARCH PARKS.*—

17 “(1) *GUARANTEE AUTHORITY.*—*In accordance*
 18 *with this subsection, the Secretary may guarantee a*
 19 *loan of an eligible recipient to assist the carrying out*
 20 *of a business incubator development project or a*
 21 *science and research park development project.*

22 “(2) *GUARANTEE PERCENTAGE.*—*In guaran-*
 23 *teeing a loan under paragraph (1), the Secretary may*
 24 *guarantee up to 80 percent of the principal amount*
 25 *of the loan.*

1 “(3) *SELECTION OF GUARANTEE RECIPIENTS.*—

2 “(A) *CREDITWORTHINESS.*—*The Secretary*
3 *may not guarantee a loan under paragraph (1)*
4 *unless the Secretary has determined that there is*
5 *a reasonable assurance of repayment with respect*
6 *to the loan.*

7 “(B) *GRANT RECIPIENTS.*—*A recipient of a*
8 *grant under subsection (c) for the development of*
9 *a feasibility study or development plan, or both,*
10 *is not eligible for a loan guarantee under para-*
11 *graph (1) until the recipient has completed the*
12 *study or plan, or both, for which the grant was*
13 *provided (as determined by the Secretary).*

14 “(4) *TERM OF LOAN.*—*The term of a loan guar-*
15 *anteed under paragraph (1) may not exceed the lesser*
16 *of—*

17 “(A) *30 years; or*

18 “(B) *90 percent of the useful life of any*
19 *physical asset to be financed by such loan.*

20 “(5) *SUBORDINATION.*—*An obligation relating to*
21 *a loan guarantee under paragraph (1) may not be*
22 *subordinated to another debt contracted by the bor-*
23 *rower or to any other claims against the borrower in*
24 *the case of default.*

1 “(6) *OTHER TERMS AND CONDITIONS.*—*Except*
 2 *as otherwise specified in this subsection, a loan guar-*
 3 *antee under paragraph (1) shall be subject to such*
 4 *terms and conditions as the Secretary may prescribe.*

5 “(7) *REVIEW.*—

6 “(A) *IN GENERAL.*—*The Secretary shall pe-*
 7 *riodically assess the risks associated with loans*
 8 *guaranteed under paragraph (1).*

9 “(B) *COMPTROLLER GENERAL REPORT.*—
 10 *Not later than 2 years after the date of enact-*
 11 *ment of the Economic Revitalization and Inno-*
 12 *vation Act of 2010, the Comptroller General*
 13 *shall—*

14 “(i) *conduct a comprehensive review of*
 15 *the program under this subsection; and*

16 “(ii) *submit to Congress a report on*
 17 *the results of the review.*

18 “(8) *PROGRAM LEVELS.*—*In carrying out para-*
 19 *graph (1) during fiscal years 2011 through 2015, the*
 20 *Secretary may not guarantee loans in an amount*
 21 *that exceeds—*

22 “(A) *\$50,000,000 for a single project;*

23 “(B) *\$235,000,000 in a single fiscal year;*

24 *and*

25 “(C) *\$500,000,000 in the aggregate.”.*

1 (b) *CLERICAL AMENDMENT.*—*The table of contents in*
 2 *section 1(b), as amended by this Act, is further amended*
 3 *by inserting after the item relating to section 207 the fol-*
 4 *lowing:*

“Sec. 208. Financial assistance for business incubators and science and research parks.”.

5 ***SEC. 206. GRANTS FOR ECONOMIC ADJUSTMENT.***

6 (a) *IN GENERAL.*—*Section 209(a) (42 U.S.C. 3149(a))*
 7 *is amended—*

8 (1) *by inserting after “public facilities,” the fol-*
 9 *lowing: “science and research park development*
 10 *projects (as defined in section 208(a)),”; and*

11 (2) *by inserting after “revolving loan fund” the*
 12 *following: “, a challenge grant, and operating support*
 13 *for business incubators (as defined in section*
 14 *208(a))”.*

15 (b) *PARTICULAR COMMUNITY ASSISTANCE.*—*Section*
 16 *209(c) (42 U.S.C. 3149(c)) is amended—*

17 (1) *in the matter preceding paragraph (1) by*
 18 *striking “injured” and inserting “affected”;*

19 (2) *in paragraph (1)—*

20 (A) *by striking “or realignments,” and in-*
 21 *serting “, realignments, or mission growth,”; and*

22 (B) *by inserting after “their economies” the*
 23 *following: “or supporting the economic adjust-*
 24 *ment activities of the Secretary of Defense”;*

1 (3) in paragraph (4) by striking “or” at the end;
 2 (4) in paragraph (5)—

3 (A) by striking “manufacturing jobs” and
 4 inserting “manufacturing, information tech-
 5 nology, natural resource, agricultural, or service
 6 sector jobs”; and

7 (B) by striking the period at the end and
 8 inserting “;”; and

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

10 “(6) a lack of technology infrastructure, includ-
 11 ing inadequate access to broadband capacity suffi-
 12 cient to support economic development objectives;

13 “(7) an inability to utilize alternative means of
 14 energy production and distribution; or

15 “(8) insufficient access to capital and credit nec-
 16 essary for business retention and expansion, entrepre-
 17 neurship, and innovation.”.

18 (c) *SPECIAL PROVISIONS RELATING TO REVOLVING*
 19 *LOAN FUND GRANTS.*—Section 209(d) (42 U.S.C. 3149(d))
 20 *is amended—*

21 (1) in paragraph (2)—

22 (A) by redesignating subparagraphs (B)
 23 and (C) as subparagraphs (C) and (D), respec-
 24 tively; and

1 (B) by inserting after subparagraph (A) the
2 following:

3 “(B) at the request of a grantee, approve the
4 transfer of all or a portion of the assets of a re-
5 volving loan fund of the grantee to another eligi-
6 ble recipient to assist in establishing or main-
7 taining a multiregion or national revolving loan
8 fund;” and

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

10 “(5) CONVERSION OF REVOLVING LOAN FUND AS-
11 SETS.—

12 “(A) AUTHORITY.—At the request of a grant
13 recipient, the Secretary may approve the use of
14 the assets of a revolving loan fund established by
15 the grant recipient with assistance under this
16 section for another project, if—

17 “(i) the project is eligible for assistance
18 under this Act; and

19 “(ii) the Secretary determines that the
20 revolving loan fund is no longer necessary
21 and the grant recipient, as a result of
22 changed economic development needs, will
23 make better use of the assets by carrying out
24 the project.

1 “(B) *METHODS OF CONVERSION.*—If conver-
 2 sion of a revolving loan fund is approved under
 3 subparagraph (A), the applicable grant recipient
 4 may convert the assets of the revolving loan fund
 5 by—

6 “(i) selling to a third party any assets
 7 of the revolving loan fund; or

8 “(ii) retaining repayments of principal
 9 and interest amounts made on loans pro-
 10 vided through the revolving loan fund.

11 “(C) *TERMS AND CONDITIONS.*—Except as
 12 otherwise provided under this paragraph, the
 13 Secretary may establish such terms and condi-
 14 tions with respect to the conversion of a revolv-
 15 ing loan fund under this paragraph as the Sec-
 16 retary determines appropriate.

17 “(D) *EXPEDIENCY REQUIREMENT.*—The
 18 Secretary shall ensure that any assets of a re-
 19 volving loan fund converted under this para-
 20 graph are used in an expeditious manner.

21 “(6) *RELEASE.*—The Secretary may release, sub-
 22 ject to terms and conditions the Secretary determines
 23 appropriate, the Federal Government’s interest in a
 24 revolving loan fund established by a grant recipient
 25 with assistance under this section on or after the date

1 that is 7 years after the date on which the applicable
 2 grant was fully disbursed, if the Secretary determines
 3 that—

4 “(A) the grant recipient has carried out the
 5 terms of the grant in a satisfactory manner;

6 “(B) any proceeds realized after the release
 7 of the Federal Government’s interest will be used
 8 for one or more activities that carry out the eco-
 9 nomic development purposes of this Act; and

10 “(C) the grant recipient will continue to
 11 satisfy the requirements of section 602.

12 “(7) *EQUITY INVESTMENT DEMONSTRATION PRO-*
 13 *GRAM.*—

14 “(A) *AUTHORITY.*—

15 “(i) *IN GENERAL.*—To determine the
 16 feasibility and utility of providing equity
 17 investments through revolving loan funds es-
 18 tablished by grant recipients with assistance
 19 under this section, the Secretary may au-
 20 thorize, at the request of a grant recipient,
 21 the use of the capital base of a revolving
 22 loan fund for equity investments in busi-
 23 nesses in need of capital to start up oper-
 24 ations or expand operations beyond the
 25 startup phase.

1 “(ii) *DEMONSTRATED CAPACITY.*—Be-
2 fore authorizing a grant recipient to make
3 equity investments under clause (i), the Sec-
4 retary shall determine that the grant recipi-
5 ent has the demonstrated capacity for en-
6 gaging in equity investments or will con-
7 tract with another company or organization
8 with a proven track record with respect to
9 equity investments.

10 “(iii) *PREFERENTIAL CONSIDER-*
11 *ATION.*—In authorizing grant recipients to
12 make equity investments under clause (i),
13 the Secretary shall give preferential consid-
14 eration to requests from grant recipients
15 that intend to focus their investment activi-
16 ties in support of business incubators (as
17 defined in section 208(a)), companies com-
18 mercializing technologies in conjunction
19 with institutions of higher education,
20 science and research parks (as defined in
21 section 208(a)), or technology or manufac-
22 turing companies relocating to the United
23 States from outside the United States.

24 “(iv) *GEOGRAPHIC DIVERSITY.*—In au-
25 thorizing grant recipients to make equity

1 *investments under clause (i), the Secretary*
2 *shall ensure, to the extent practicable, that*
3 *grant recipients authorized represent diverse*
4 *geographic areas of the United States, in-*
5 *cluding rural and urban areas.*

6 “(B) *REQUIREMENTS.—In authorizing a*
7 *grant recipient to make equity investments*
8 *under subparagraph (A)(i), the Secretary shall*
9 *ensure that—*

10 *“(i) not more than 25 percent of the*
11 *capital base of the revolving loan fund of*
12 *the grant recipient will be used for equity*
13 *investments;*

14 *“(ii) the Federal share of the amount*
15 *used for an equity investment made by the*
16 *grant recipient will not exceed 50 percent;*
17 *and*

18 *“(iii) the total amount of the equity*
19 *investments made by the grant recipient in*
20 *any one business will not exceed \$250,000.*

21 “(C) *OTHER TERMS AND CONDITIONS.—Ex-*
22 *cept as otherwise provided in this paragraph, the*
23 *Secretary may authorize grant recipients to*
24 *make equity investments under subparagraph*

1 (A)(i) *subject to terms and conditions the Sec-*
2 *retary determines are appropriate.*

3 “(D) *DISPOSITION OF EQUITY SECURI-*
4 *TIES.—In the event that the Secretary acquires*
5 *equity securities as a result of a default by any*
6 *party under any agreement relating to the terms*
7 *of the Secretary’s extension of assistance under*
8 *this paragraph, the Secretary shall liquidate the*
9 *Federal interest in such securities as soon as pos-*
10 *sible and for such consideration as the Secretary*
11 *determines appropriate. The Secretary may as-*
12 *sign or transfer the securities to a third party*
13 *for purposes of liquidation and the third party*
14 *may retain proceeds from the disposition of the*
15 *securities to defray costs related to the liquida-*
16 *tion.*

17 “(E) *DEFINITIONS.—In this paragraph the*
18 *following definitions apply:*

19 “(i) *CAPITAL BASE.—The term ‘capital*
20 *base’ means the amount of the funding,*
21 *from a grant under this section and from*
22 *non-Federal sources, initially provided to*
23 *establish a revolving loan fund under this*
24 *section.*

1 “(ii) *EQUITY INVESTMENT.*—*The term*
 2 *‘equity investment’ means an investment of*
 3 *funds in a business that results in the ac-*
 4 *quisition of an equity security.*

5 “(iii) *EQUITY SECURITY.*—*The term*
 6 *‘equity security’ means an instrument that*
 7 *signifies an ownership interest in a busi-*
 8 *ness.’.*

9 **SEC. 207. SUSTAINABLE ECONOMIC DEVELOPMENT DEM-**
 10 **ONSTRATION PROGRAM.**

11 (a) *IN GENERAL.*—*Section 218 (42 U.S.C. 3154d) is*
 12 *amended to read as follows:*

13 **“SEC. 218. SUSTAINABLE ECONOMIC DEVELOPMENT DEM-**
 14 **ONSTRATION PROGRAM.**

15 “(a) *IN GENERAL.*—*On the application of an eligible*
 16 *recipient, the Secretary may provide technical assistance,*
 17 *make grants, enter into contracts, or otherwise provide*
 18 *funding for a project—*

19 “(1) *to promote energy efficiency to enhance the*
 20 *economic competitiveness of an area;*

21 “(2) *to increase the use of renewable energy tech-*
 22 *nologies, including solar, wind, or geothermal tech-*
 23 *nologies, to support sustainable economic development*
 24 *and job growth, with a priority given to projects that*

1 *incorporate photovoltaics or relate to agribusiness, in-*
2 *cluding in both urban and rural areas;*

3 *“(3) to support energy efficiency or alternative*
4 *energy development plans, studies, or analysis (in-*
5 *cluding with respect to job training, attraction, or re-*
6 *tention) to enhance a comprehensive economic devel-*
7 *opment strategy with respect to which funding has*
8 *been provided under this Act;*

9 *“(4) to support the efforts of a community to*
10 *have a technology or manufacturing business located*
11 *outside the United States relocate to the United*
12 *States; and*

13 *“(5) to supplement another project funded by a*
14 *Federal grant, loan, or loan guarantee provided for a*
15 *purpose described in paragraphs (1) through (4).*

16 *“(b) FEDERAL SHARE.—Notwithstanding section 204,*
17 *the Federal share of the cost of a project funded under this*
18 *section—*

19 *“(1) if described in paragraph (1), (2), (3), or*
20 *(4) of subsection (a), shall not exceed 80 percent; and*

21 *“(2) if described in subsection (a)(5), shall not*
22 *exceed 100 percent.*

23 *“(c) SOLICITATION OF APPLICATIONS.—Not later than*
24 *60 days after a date on which funds are made available*

1 *to carry out this section, the Secretary shall solicit applica-*
 2 *tions for assistance under this section.”.*

3 *(b) CLERICAL AMENDMENT.—The table of contents in*
 4 *section 1(b), as amended by this Act, is further amended*
 5 *by striking the item relating to section 218 and inserting*
 6 *the following:*

“Sec. 218. Sustainable economic development demonstration program.”.

7 **SEC. 208. JOB CREATION GOALS.**

8 *(a) IN GENERAL.—Title II (42 U.S.C. 3141 et seq.),*
 9 *as amended by this Act, is further amended by adding at*
 10 *the end the following:*

11 **“SEC. 219. JOB CREATION GOALS.**

12 *“(a) IN GENERAL.—As a condition of the receipt of*
 13 *a grant under section 201, 205, or 209 or a loan guarantee*
 14 *under section 208, the recipient of the grant or loan guar-*
 15 *antee shall enter into an agreement with the Secretary that*
 16 *establishes goals for the number of jobs to be created as a*
 17 *result of the projects and activities funded by the grant or*
 18 *loan guarantee.*

19 *“(b) COMPLIANCE WITH GOALS.—The Secretary may*
 20 *take appropriate action to penalize a grant recipient who*
 21 *fails to satisfy job creation goals specified in an agreement*
 22 *under subsection (a).”.*

23 *(b) CLERICAL AMENDMENT.—The table of contents in*
 24 *section 1(b), as amended by this Act, is further amended*

1 *by inserting after the item relating to section 218 the fol-*
 2 *lowing:*

“Sec. 219. Job creation goals.”.

3 **SEC. 209. PROHIBITION WITH RESPECT TO USE OF ASSIST-**
 4 **ANCE.**

5 *(a) IN GENERAL.—Title II (42 U.S.C. 3141 et seq.),*
 6 *as amended by this Act, is further amended by adding at*
 7 *the end the following:*

8 **“SEC. 220. PROHIBITION WITH RESPECT TO USE OF ASSIST-**
 9 **ANCE.**

10 *“The Secretary shall ensure that a recipient of assist-*
 11 *ance under this Act does not utilize the assistance for activi-*
 12 *ties to intentionally attract, to the location of the recipient,*
 13 *a business or other source of employment already estab-*
 14 *lished elsewhere in the United States, if the relocation would*
 15 *adversely affect the location where the business or other*
 16 *source of employment was previously located.”.*

17 *(b) CLERICAL AMENDMENT.—The table of contents in*
 18 *section 1(b), as amended by this Act, is further amended*
 19 *by inserting after the item relating to section 219 the fol-*
 20 *lowing:*

“Sec. 220. Prohibition with respect to use of assistance.”.

1 **TITLE III—ELIGIBILITY; COM-**
 2 **PREHENSIVE ECONOMIC DE-**
 3 **VELOPMENT STRATEGIES**

4 **SEC. 301. ELIGIBILITY OF AREAS.**

5 *Section 301 (42 U.S.C. 3161) is amended by adding*
 6 *at the end the following:*

7 *“(e) SPECIAL NEED.—In determining whether an area*
 8 *has experienced or is about to experience a special need for*
 9 *purposes of subsection (a)(3), the Secretary may consider*
 10 *whether the area has been affected by—*

- 11 *“(1) the loss of a substantial employer;*
- 12 *“(2) substantial outmigration or population loss;*
- 13 *“(3) substantial foreclosure rates;*
- 14 *“(4) substantial underemployment;*
- 15 *“(5) military base or defense installation closure,*
 16 *realignment, or mission growth;*
- 17 *“(6) a natural or other disaster or emergency;*
- 18 *“(7) substantial natural resource depletion;*
- 19 *“(8) substantial negative effects resulting from*
 20 *changing trade patterns; or*
- 21 *“(9) other circumstances that the Secretary de-*
 22 *termines are indicative of special or extraordinary*
 23 *unemployment or economic adjustment problems.”.*

1 **SEC. 302. COMPREHENSIVE ECONOMIC DEVELOPMENT**
 2 **STRATEGIES.**

3 (a) *IN GENERAL.*—Section 302(a) (42 U.S.C. 3162(a))
 4 *is amended—*

5 (1) *in paragraph (1) by inserting after “prob-*
 6 *lems” the following: “and opportunities”;*

7 (2) *in paragraph (2) by inserting after “private”*
 8 *the following: “(including nonprofit organization)”;*
 9 *and*

10 (3) *in paragraph (3)—*

11 (A) *in subparagraph (A)—*

12 (i) *by striking “economic problems”*
 13 *and inserting “economic development prob-*
 14 *lems and opportunities”;*

15 (ii) *by inserting after “strategy, pro-*
 16 *motest the” the following: “effective”; and*

17 (iii) *by striking “balances” and insert-*
 18 *ing “optimizes”; and*

19 (B) *in subparagraph (B) by inserting after*
 20 *“the problems” the following: “and take advan-*
 21 *tage of the opportunities”.*

22 (b) *APPROVAL OF OTHER PLAN.*—Section 302(c) (42
 23 U.S.C. 3162(c)) *is amended—*

24 (1) *in paragraph (1) by inserting after “feder-*
 25 *ally supported program” the following: “or under a*
 26 *State, regionally, or locally supported program”; and*

1 (2) in paragraph (2) by striking “paragraph”
2 and inserting “subsection”.

3 (c) *NOTIFICATION OF APPROVAL OR DISAPPROVAL OF*
4 *COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY OR*
5 *OTHER PLAN.*—Section 302 (42 U.S.C. 3162) is amended
6 by adding at the end the following:

7 “(d) *NOTIFICATION OF APPROVAL OR DISAPPROVAL OF*
8 *COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY OR*
9 *OTHER PLAN.*—

10 “(1) *DEADLINE.*—The Secretary shall notify an
11 eligible recipient of the approval or disapproval of a
12 comprehensive economic development strategy or other
13 plan submitted under this section not later than 60
14 days after the date of receiving the strategy or plan.

15 “(2) *BASIS FOR DISAPPROVAL.*—A notification of
16 disapproval under this subsection shall include a de-
17 scription of the basis for the disapproval.”.

18 ***TITLE IV—ECONOMIC***
19 ***DEVELOPMENT DISTRICTS***

20 ***SEC. 401. DESIGNATION OF ECONOMIC DEVELOPMENT DIS-***
21 ***TRICTS.***

22 (a) *IN GENERAL.*—Section 401(a) (42 U.S.C. 3171(a))
23 is amended in the matter preceding paragraph (1) by strik-
24 ing “broad geographic” and inserting “national and re-
25 gional”.

1 (b) *OPERATIONS.*—Section 401 (42 U.S.C. 3171) is
2 amended by adding at the end the following:

3 “(c) *OPERATIONS.*—

4 “(1) *IN GENERAL.*—As a condition of maintain-
5 ing designation as an economic development district,
6 each district shall engage in the full range of eco-
7 nomic development activities in the comprehensive
8 economic development strategy of the district that has
9 been approved by the Secretary, which may include—

10 “(A) coordinating and implementing eco-
11 nomic development activities in the district;

12 “(B) carrying out economic development re-
13 search, planning, implementation, and advisory
14 functions identified in the comprehensive eco-
15 nomic development strategy; and

16 “(C) coordinating the development and im-
17 plementation of the comprehensive economic de-
18 velopment strategy with Federal, State, local,
19 and private organizations.

20 “(2) *CONTRACTS.*—An economic development
21 district may enter into contracts for services to carry
22 out the activities described in paragraph (1).”.

1 **SEC. 402. TERMINATION OR MODIFICATION OF ECONOMIC**
 2 **DEVELOPMENT DISTRICTS.**

3 *Section 402 (42 U.S.C. 3172) is amended by adding*
 4 *at the end the following: “The standards shall include au-*
 5 *thority for the Secretary to review, at the request of a dis-*
 6 *trict, district designations to evaluate whether the designa-*
 7 *tions meet economic development and labor force needs and,*
 8 *when warranted, to approve the combination of districts*
 9 *and adjust applicable assistance levels for the resulting com-*
 10 *bination.”.*

11 **TITLE V—ADMINISTRATION**

12 **SEC. 501. CONSULTATION WITH OTHER PERSONS AND**
 13 **AGENCIES.**

14 *Section 503(a) (42 U.S.C. 3193(a)) is amended by*
 15 *striking “or underemployment” and inserting “, under-*
 16 *employment, or outmigration”.*

17 **SEC. 502. PERFORMANCE EVALUATIONS OF GRANT RECIPI-**
 18 **ENTS.**

19 *(a) PURPOSE OF EVALUATIONS OF UNIVERSITY CEN-*
 20 *TERS.—Section 506(b) (42 U.S.C. 3196(b)) is amended by*
 21 *striking “are worthy of” and all that follows through the*
 22 *period at the end and inserting “maintain the capacity to*
 23 *implement the priorities of the Secretary.”.*

24 *(b) TIMING OF EVALUATIONS.—Section 506(c) (42*
 25 *U.S.C. 3196(c)) is amended to read as follows:*

1 “(c) *TIMING OF EVALUATIONS.*—*Evaluations under*
 2 *subsection (a) shall be conducted on a continuing basis so*
 3 *that—*

4 “(1) *with respect to economic development dis-*
 5 *tricts, each grantee is evaluated within 3 years after*
 6 *the first award of assistance to the grantee and at*
 7 *least once every 3 years thereafter, so long as the*
 8 *grantee receives the assistance; and*

9 “(2) *with respect to university centers, each*
 10 *grantee is evaluated within 5 years after the first*
 11 *award of assistance to the grantee and at least once*
 12 *every 5 years thereafter, so long as the grantee re-*
 13 *ceives the assistance.”.*

14 “(c) *EVALUATION CRITERIA FOR UNIVERSITY CEN-*
 15 *TERS.*—*Section 506(d)(2) (42 U.S.C. 3196(d)(2)) is amend-*
 16 *ed to read as follows:*

17 “(2) *EVALUATION CRITERIA FOR UNIVERSITY*
 18 *CENTERS.*—*The criteria for evaluation of a university*
 19 *center shall provide, at a minimum, for an assess-*
 20 *ment of—*

21 “(A) *the center’s contribution to providing*
 22 *technical assistance, conducting applied research,*
 23 *and disseminating the results of the activities of*
 24 *the center;*

1 “(B) the center’s conformance with the ap-
 2 proved program plan of the center and the goals
 3 of the Secretary; and

4 “(C) if appropriate, the center’s activities to
 5 leverage and maximize the economic development
 6 potential of Federal investments in high-speed
 7 rail projects, including activities—

8 “(i) to encourage collaboration across
 9 regions; and

10 “(ii) to evaluate manufacturing and
 11 economic development opportunities relating
 12 to the projects.”.

13 **SEC. 503. ECONOMIC DEVELOPMENT REPRESENTATIVES.**

14 (a) *IN GENERAL.*—Title V (42 U.S.C. 3191 et seq.) is
 15 amended by adding at the end the following:

16 **“SEC. 508. ECONOMIC DEVELOPMENT REPRESENTATIVES.**

17 *“The Secretary shall ensure that the Economic Devel-
 18 opment Administration maintains—*

19 *“(1) not less than 35 individuals in the position
 20 of economic development representative during fiscal
 21 year 2012; and*

22 *“(2) not less than 40 individuals in the position
 23 of economic development representative during fiscal
 24 year 2013 and each fiscal year thereafter.”.*

1 (b) *CLERICAL AMENDMENT.*—*The table of contents in*
 2 *section 1(b), as amended by this Act, is further amended*
 3 *by inserting after the item relating to section 507 the fol-*
 4 *lowing:*

“Sec. 508. *Economic development representatives.*”.

5 **SEC. 504. LIMITATION ON CERTAIN POSITIONS.**

6 (a) *IN GENERAL.*—*Title V (42 U.S.C. 3191 et seq.),*
 7 *as amended by this Act, is further amended by adding at*
 8 *the end the following:*

9 **“SEC. 509. LIMITATION ON CERTAIN POSITIONS.**

10 *“Beginning in fiscal year 2012, the number of posi-*
 11 *tions in the Economic Development Administration that,*
 12 *for purposes of title 5, United States Code, are general posi-*
 13 *tions (as defined by section 3132(a)(9) of such title) which*
 14 *may be filled only by a noncareer appointee (as defined*
 15 *by section 3132(a)(7) of such title) shall be limited to 5.”.*

16 (b) *CLERICAL AMENDMENT.*—*The table of contents in*
 17 *section 1(b), as amended by this Act, is further amended*
 18 *by inserting after the item relating to section 508 the fol-*
 19 *lowing:*

“Sec. 509. *Limitation on certain positions.*”.

20 **TITLE VI—MISCELLANEOUS**

21 **SEC. 601. ANNUAL REPORT TO CONGRESS.**

22 *Section 603(b) (42 U.S.C. 3213(b)) is amended—*

23 (1) *in paragraph (2)(B) by striking “and” at*
 24 *the end;*

1 (2) *in paragraph (3) by striking the period at*
 2 *the end and inserting a semicolon; and*

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

4 “(4) *with respect to each university center as-*
 5 *sisted with funding under this Act, include—*

6 “(A) *a specification of the activities of the*
 7 *university center;*

8 “(B) *a specification of the recipients of tech-*
 9 *nical assistance from the university center; and*

10 “(C) *a specification of the outcomes result-*
 11 *ing from the job creation, research, and technical*
 12 *assistance activities of the university center; and*

13 “(5) *specify the projects, and the funding pro-*
 14 *vided for the projects, that were funded in conjunction*
 15 *with one or more of the regional commissions.”.*

16 **SEC. 602. MAINTENANCE OF EFFORT.**

17 (a) *IN GENERAL.—Title VI (42 U.S.C. 3211 et seq.)*
 18 *is amended by adding at the end the following:*

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

20 “(a) *EXPECTED PERIOD OF BEST EFFORTS.—*

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

1 *efforts to achieve the economic development objectives*
2 *of the assistance.*

3 “(2) *TREATMENT OF PROPERTY.—To obtain the*
4 *best efforts of a recipient during the period established*
5 *under paragraph (1), during that period—*

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

10 “(B) *the Secretary shall retain an undi-*
11 *vided equitable reversionary interest in the prop-*
12 *erty.*

13 “(3) *TERMINATION OF FEDERAL INTEREST.—*

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

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

1 “(i) *IN GENERAL.*—*On a determina-*
 2 *tion by a recipient that the economic devel-*
 3 *opment needs of the recipient have changed*
 4 *during the period beginning on the date on*
 5 *which investment assistance for a construc-*
 6 *tion project is provided under this Act and*
 7 *ending on the expiration of the expected pe-*
 8 *riod established for the project under para-*
 9 *graph (1), the recipient may submit to the*
 10 *Secretary a request to terminate the rever-*
 11 *sionary interest of the Secretary in property*
 12 *of the project under paragraph (2)(B) before*
 13 *the date described in subparagraph (A).*

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

17 “(I) *in any case in which the re-*
 18 *quest is submitted during the 10-year*
 19 *period beginning on the date on which*
 20 *assistance is initially provided under*
 21 *this Act for the applicable project, the*
 22 *recipient repays to the Secretary an*
 23 *amount equal to 100 percent of the fair*
 24 *market value of the pro rata Federal*
 25 *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 had
 8 been amortized over the period estab-
 9 lished under paragraph (1), based on a
 10 straight-line depreciation of the project
 11 throughout the estimated useful life of
 12 the project.

13 “(b) *TERMS AND CONDITIONS.*—

14 “(1) *IN GENERAL.*—The Secretary may establish
 15 such terms and conditions under this section as the
 16 Secretary determines to be appropriate, including by
 17 extending the period of a reversionary interest of the
 18 Secretary under subsection (a)(2)(B) in any case in
 19 which the Secretary determines that the performance
 20 of a recipient is unsatisfactory.

21 “(2) *MAINTENANCE OF STANDARDS.*—The Sec-
 22 retary may not terminate a reversionary interest of
 23 the Secretary under subsection (a)(2)(B) if the Sec-
 24 retary has not received adequate assurances that the

1 *applicable recipient will continue to satisfy the re-*
2 *quirements of section 602 after the termination.*

3 “(c) *PREVIOUSLY EXTENDED ASSISTANCE.*—With re-
4 *spect to any recipient to which the term of provision of as-*
5 *sistance was extended under this Act before the date of en-*
6 *actment of this section, the Secretary may approve a request*
7 *of the recipient under subsection (a) in accordance with the*
8 *requirements of this section to ensure uniform administra-*
9 *tion of this Act, notwithstanding any estimated useful life*
10 *period that otherwise relates to the assistance.*

11 “(d) *CONVERSION OF USE.*—If a recipient of assist-
12 *ance under this Act demonstrates to the Secretary that the*
13 *intended use of the project for which assistance was pro-*
14 *vided under this Act no longer represents the best use of*
15 *the property used for the project, the Secretary may approve*
16 *a request by the recipient to convert the property to a dif-*
17 *ferent use for the remainder of the term of the Federal inter-*
18 *est in the property, subject to the condition that the new*
19 *use shall be consistent with the purposes of this Act.*

20 “(e) *STATUS OF AUTHORITY.*—The authority of the
21 *Secretary under this section is in addition to any authority*
22 *of the Secretary pursuant to any law or grant agreement*
23 *in effect on the date of enactment of this section.”.*

24 (b) *CLERICAL AMENDMENT.*—The table of contents in
25 *section 1(b), as amended by this Act, is further amended*

1 *by inserting after the item relating to section 612 the fol-*
 2 *lowing:*

“Sec. 613. Maintenance of effort.”.

3 ***TITLE VII—FUNDING***

4 ***SEC. 701. GENERAL AUTHORIZATION OF APPROPRIATIONS.***

5 *(a) ECONOMIC DEVELOPMENT ASSISTANCE PRO-*
 6 *GRAMS.—Section 701(a) (42 U.S.C. 3231(a)) is amended*
 7 *by striking “until expended” and all that follows through*
 8 *the period at the end and inserting the following: “until*
 9 *expended, \$500,000,000 for each of fiscal years 2011*
 10 *through 2015.”.*

11 *(b) SALARIES AND EXPENSES.—Section 701(b) (42*
 12 *U.S.C. 3231(b)) is amended by striking paragraphs (1) and*
 13 *(2) and inserting the following:*

14 *“(1) \$42,000,000 for fiscal year 2011; and*

15 *“(2) such sums as are necessary for each fiscal*
 16 *year thereafter.”.*

17 ***SEC. 702. FUNDING FOR GRANTS FOR PLANNING AND*** 18 ***GRANTS FOR ADMINISTRATIVE EXPENSES.***

19 *Section 704 (42 U.S.C. 3234) is amended—*

20 *(1) by striking “\$27,000,000” and inserting*
 21 *“\$36,000,000”; and*

22 *(2) by inserting after “under section 203” the*
 23 *following: “and, of that amount, not less than*
 24 *\$500,000 shall be made available for grants under*
 25 *section 203 for planning relating to high-speed rail”.*

1 **SEC. 703. FUNDING FOR FINANCIAL ASSISTANCE FOR BUSI-**
 2 **NESS INCUBATORS AND SCIENCE AND RE-**
 3 **SEARCH PARKS.**

4 *(a) IN GENERAL.—Title VII (42 U.S.C. 3231 et seq.)*
 5 *is amended by adding at the end the following:*

6 **“SEC. 705. FUNDING FOR FINANCIAL ASSISTANCE FOR**
 7 **BUSINESS INCUBATORS AND SCIENCE AND**
 8 **RESEARCH PARKS.**

9 *“(a) GRANTS.—In addition to amounts made avail-*
 10 *able under section 701, there is authorized to be appro-*
 11 *priated \$7,500,000 to carry out section 208(c).*

12 *“(b) LOAN GUARANTEES.—In addition to amounts*
 13 *made available under section 701, there are authorized to*
 14 *be appropriated such sums as may be necessary to carry*
 15 *out section 208(d), including the cost (as defined in section*
 16 *502 of the Federal Credit Reform Act of 1990 (2 U.S.C.*
 17 *661a)) of guaranteeing loans under that section.”.*

18 *(b) CLERICAL AMENDMENT.—The table of contents in*
 19 *section 1(b), as amended by this Act, is further amended*
 20 *by inserting after the item relating to section 704 the fol-*
 21 *lowing:*

*“Sec. 705. Funding for financial assistance for business incubators and science
and research parks.”.*

1 **SEC. 704. FUNDING FOR SUSTAINABLE ECONOMIC DEVEL-**
 2 **OPMENT DEMONSTRATION PROGRAM.**

3 (a) *IN GENERAL.*—Title VII (42 U.S.C. 3231 *et seq.*),
 4 as amended by this Act, is further amended by adding at
 5 the end the following:

6 **“SEC. 706. FUNDING FOR SUSTAINABLE ECONOMIC DEVEL-**
 7 **OPMENT DEMONSTRATION PROGRAM.**

8 “Of the amounts made available under section 701 for
 9 each fiscal year, not less than \$25,000,000 shall be made
 10 available to carry out section 218.”.

11 (b) *CLERICAL AMENDMENT.*—The table of contents in
 12 section 1(b), as amended by this Act, is further amended
 13 by inserting after the item relating to section 705 the fol-
 14 lowing:

“Sec. 706. Funding for sustainable economic development demonstration pro-
 gram.”.

15 **SEC. 705. FUNDING FOR GRANTS FOR TRAINING, RE-**
 16 **SEARCH, AND TECHNICAL ASSISTANCE.**

17 (a) *IN GENERAL.*—Title VII (42 U.S.C. 3231 *et seq.*),
 18 as amended by this Act, is further amended by adding at
 19 the end the following:

20 **“SEC. 707. FUNDING FOR GRANTS FOR TRAINING, RE-**
 21 **SEARCH, AND TECHNICAL ASSISTANCE.**

22 “Of the amounts made available under section 701 for
 23 each fiscal year, not less than \$10,000,000 shall be made
 24 available for grants provided under section 207 and, of that

1 *amount, not less than \$1,125,000 shall be made available*
2 *for grants under section 207 to establish university centers*
3 *in States that do not have a university center.”.*

4 *(b) CLERICAL AMENDMENT.—The table of contents in*
5 *section 1(b), as amended by this Act, is further amended*
6 *by inserting after the item relating to section 706 the fol-*
7 *lowing:*

“Sec. 707. Funding for grants for training, research, and technical assistance.”.

Union Calendar No. 390

11TH CONGRESS
2^D Session

H. R. 5897

[Report No. 111-652, Part I]

A BILL

To reauthorize and improve programs and activities carried out under the Public Works and Economic Development Act of 1965, and for other purposes.

SEPTEMBER 29, 2010

Reported from the Committee on Transportation and
Infrastructure with an amendment

SEPTEMBER 29, 2010

Committee on Financial Services discharged; committed
to the Committee of the Whole House on the State of
the Union and ordered to be printed