

**Public Works and Economic Development Act of 1965,
As Amended (“PWEDA”)**

SECTION 1. SHORT TITLE; TABLE OF CONTENTS. (42 U.S.C. § 3121 note)

(a) SHORT TITLE.— This Act may be cited as the ‘Public Works and Economic Development Act of 1965’.

(b) TABLE OF CONTENTS.— The table of contents of this Act is as follows:

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TITLE I—ECONOMIC DEVELOPMENT PARTNERSHIPS COOPERATION
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- Sec. 611. Brownfields redevelopment report.
- Sec. 612. Savings clause.
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- Sec. 701. General authorization of appropriations.
- Sec. 702. Authorization of appropriations for defense conversion activities.
- Sec. 703. Authorization of appropriations for disaster economic recovery activities.
- Sec. 704. Funding for grants for planning and grants for administrative expenses.

SEC. 2. FINDINGS AND DECLARATIONS. (42 U.S.C. § 3121)

(a) FINDINGS.

(1) sustainable economic growth in the 21st Century depends upon economic development strategies that invest in the essential infrastructure that fosters innovation, entrepreneurship and competition in the global marketplace;

(2) there continue to be areas of the United States experiencing chronic high unemployment, underemployment, outmigration, and low per capita incomes, as well as areas facing sudden and severe economic dislocations due to [because of] structural economic changes, increasing international competition [changing trade patterns], certain Federal actions (including defense-related

facility closures and realignment and actions required to counteract the extraordinary depletion of natural resources [~~environmental requirements that result in the removal of economic activities from a locality~~], and natural disasters;

(3) conventional development practices often contribute to inefficiencies in the use of land and other resources and do not consider sufficiently sustainable development practices, including:

(A) locating new development on previously developed land, close to existing activity centers, and near transportation choices; and

(B) leveraging and coordinating public investments (federal, state, and local) to support economic prosperity and community goals for future growth;

(4) economic growth in the States, cities and rural areas of the United States can best be promoted by helping communities invest in regional innovation strategies that build upon their unique competitive advantages and are designed to foster innovation and entrepreneurship [~~is produced by expanding economic opportunities, expanding free enterprise through trade, developing and strengthening public infrastructure, and creating a climate for job creation and business development~~];

(5) the goal of Federal economic development programs is to raise the standard of living for all citizens and increase the wealth and overall rate of growth of the economy by encouraging communities to develop a more competitive and diversified economic base by—

(A) expanding economic opportunities, increasing international competitiveness, and creating a climate for job creation and business development;

(B) creating an environment that promotes [~~economic activity by improving and expanding~~] **public infrastructure investments that maximize sustainable development practices;**

(C) promoting private sector job creation through increased innovation, productivity, and entrepreneurship; and

(D) empowering local and regional communities experiencing chronic high unemployment and low per capita income to develop private sector business and attract increased private-sector capital investment, including capital investments from foreign sources;

(6) while economic development is an inherently local process, the Federal Government should work in partnership with public and private organizations on the State, regional, tribal, and local [~~organizations~~] **level to maximize the impact of existing resources and enable regions, communities, and citizens to participate more fully in the American dream and national prosperity;**

(7) in order to avoid duplication of effort and achieve meaningful, long-lasting results, Federal, State, tribal, and local economic development activities should have a clear focus, improved coordination, a comprehensive approach, and simplified and consistent requirements; and

(8) Federal economic development efforts will be more effective if the efforts are coordinated with, and build upon, the trade, workforce investment,

transportation, *environmental protection*, and technology programs of the United States.

(b) DECLARATIONS.— In order to promote a strong and growing economy throughout the United States, Congress declares that—

(1) assistance under this Act should be made available to both rural- and urban-distressed communities;

(2) local communities should work in partnership with neighboring communities, the States, Indian tribes, *the private sector* and the Federal Government to increase the capacity of the local communities to develop and implement comprehensive economic development strategies to alleviate economic distress and enhance competitiveness in the global economy;

(3) whether suffering from long-term distress or a sudden dislocation, distressed communities *should* be encouraged *to take affirmative steps to promote* ~~support entrepreneurship~~ *innovation and entrepreneurship and to support the formation of business incubators in economically distressed areas, so as to help regions create higher-skill, higher-wage jobs and foster the participation of those regions in the global marketplace* ~~[undertake activities on a regional basis to support entrepreneurship and technological innovation in order to increase their competitiveness in the global economy; and]~~

(4) assistance under this Act should be made available to promote *environmentally sustainable economic development practices and assist communities with* the productive reuse of abandoned industrial facilities and the redevelopment of brownfields; *and*

(5) research assistance under this Act should help regions across the nation leverage their economic assets in a comprehensive manner and should enhance EDA's ability to provide a leading-edge economic development framework to assist the nation's distressed communities and regions.

SEC. 3. DEFINITIONS. (42 U.S.C. § 3122)

In this Act:

(1) COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY.— The term ‘comprehensive economic development strategy’ means a comprehensive economic development strategy approved by the Secretary under section 302.

(2) DEPARTMENT.— The term ‘Department’ means the Department of Commerce.

(3) ECONOMIC DEVELOPMENT DISTRICT.—

(A) IN GENERAL.— The term ‘economic development district’ means any area in the United States that—

(i) is composed of areas described in section 301(a) and, to the extent appropriate, neighboring counties or communities; and

(ii) has been designated by the Secretary as an economic development district under section 401.

(B) INCLUSION.— The term ‘economic development district’ includes any economic development district designated by the Secretary under section 403 (as

in effect on the day before the effective date of the Economic Development Administration Reform Act of 1998).

(4) ELIGIBLE RECIPIENT.—

(A) IN GENERAL.— The term ‘eligible recipient’ means—

(i) an economic development district;

(ii) an Indian tribe;

(iii) a State;

(iv) a city or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions;

(v) an institution of higher education or a consortium of institutions of higher education; or

(vi) a public or private nonprofit organization or association acting in cooperation with officials of a political subdivision of a State.

(B) TRAINING, RESEARCH, AND TECHNICAL ASSISTANCE GRANTS.— In the case of grants under section 207, the term ‘eligible recipient’ also includes private individuals and for-profit organizations.

(5) FEDERAL AGENCY.— The term ‘Federal agency’ means a department, agency, or instrumentality of the United States.

(6) GRANT.— The term ‘grant’ includes a cooperative agreement (within the meaning of chapter 63 of title 31, United States Code).

(7) INDIAN TRIBE.— The term ‘Indian tribe’ means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or Regional Corporation (as defined in or established under the Alaska Native Claims Settlement Act (43 U.S.C. § 1601 *et seq.*)), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(8) REGIONAL COMMISSIONS.— The term ‘Regional Commissions’ means —

(A) the Appalachian Regional Commission established under chapter 143 of title 40, United States Code;

(B) the Delta Regional Authority established under subtitle F of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa *et seq.*);

(C) the Denali Commission established under the Denali Commission Act of 1998 (42 U.S.C. 3121 note; 112 Stat. 2681-637 *et seq.*); ~~and~~

(D) the Northern Great Plains Regional Authority established under subtitle G of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb *et seq.*);

(E) *the Northern Border Regional Commission established under section 14217 of the Food, Conservation and Energy Act (40 U.S.C. 15301(a)(3));*

(F) the Southeast Crescent Regional Commission established under section 14217 of the Food, Conservation and Energy Act (40 U.S.C. 15301(a)(1)); and

(G) the Southwest Border Regional Commission established under section 14217 of the Food, Conservation and Energy Act (40 U.S.C. 15301(a)(2)).

(9) SECRETARY.— The term ‘Secretary’ means the Secretary of Commerce.

(10) STATE.— The term ‘State’ means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(11) UNITED STATES.— The term ‘United States’ means all of the States.

(12) UNIVERSITY CENTER.— The term ‘university center’ means an institution of higher education or a consortium of institutions of higher education established as a University Center for Economic Development under section 207(a)(2)(D).

TITLE I—ECONOMIC DEVELOPMENT PARTNERSHIPS COOPERATION AND COORDINATION

SEC. 101. ESTABLISHMENT OF ECONOMIC DEVELOPMENT PARTNERSHIPS. (42 U.S.C. § 3131)

(a) IN GENERAL.— In providing assistance under this title, the Secretary shall cooperate with States and other entities to ensure that, consistent with national objectives, Federal programs are compatible with and further the objectives of State, regional, and local economic development plans and comprehensive economic development strategies.

(b) TECHNICAL ASSISTANCE.— The Secretary may provide such technical assistance to States, political subdivisions of States, sub-State regional organizations (including organizations that cross State boundaries), multi-State regional organizations, and nonprofit organizations as the Secretary determines is appropriate to—

(1) alleviate economic distress;

(2) encourage and support public-private partnerships for the formation and improvement of *regional* economic development strategies that sustain and promote *innovation and entrepreneurship that is critical to economic competitiveness* [development] across the United States; and

(3) promote investment in infrastructure and technological capacity to keep pace with the changing global economy.

(c) INTERGOVERNMENTAL REVIEW.— The Secretary shall promulgate regulations to ensure that appropriate State and local government agencies have been given a reasonable opportunity to review and comment on proposed projects under this title that the Secretary determines may have a significant direct impact on the economy of the area.

(d) COOPERATION AGREEMENTS.—

(1) IN GENERAL.— The Secretary may enter into a cooperation agreement with any 2 or more States, or an organization of any 2 or more States, in support of effective economic development.

(2) PARTICIPATION.— Each cooperation agreement shall provide for suitable participation by other governmental and nongovernmental entities that are representative of significant interests in and perspectives on economic development in an area.

(e) EXCELLENCE IN ECONOMIC DEVELOPMENT AWARDS.—

(1) ESTABLISHMENT OF PROGRAM.—*To recognize innovative economic development strategies of national significance, the Secretary may conduct an “Excellence in Economic Development Award Program” (referred to in this subsection as the “program”).*

(2) ELIGIBLE ENTITIES.—*To be recognized under the program, an entity shall be an eligible recipient that is not a for-profit organization or institution.*

(3) NOMINATIONS.—*Before making an award under the program, the Secretary shall solicit nominations publicly, in accordance with such selection and evaluation procedures as the Secretary may establish in the solicitation.*

(4) CATEGORIES.—*The categories of awards under the program may include awards for—*

(A) innovative urban or suburban economic development;

(B) innovative rural economic development;

(C) sustainable environmental economic development initiatives;

(D) economic diversification strategies that respond to economic dislocations, including economic dislocations caused by natural disasters and military base realignment and closure actions;

(E) university-led strategies to enhance economic development that foster the acceleration of innovative business creation and growth;

(F) regional innovation cluster development;

(G) entrepreneurial infrastructure development (business incubators); and

(H) such other categories as the Secretary determines to be appropriate.

(5) PROVISION OF AWARDS.—*The Secretary may provide to each entity selected to receive an award under this subsection a plaque, bowl, or similar article to commemorate the accomplishments of the entity.*

(6) FUNDING.—*Of amounts made available to carry out this Act, the Secretary may use not more than \$5,000 for each fiscal year to carry out this subsection.*

SEC. 102. COOPERATION OF FEDERAL AGENCIES. (42 U.S.C. § 3132)

In accordance with applicable laws and subject to the availability of appropriations, each Federal agency shall exercise its powers, duties and functions, and shall cooperate with the Secretary, in such manner as will assist the Secretary in carrying out this title. *The Secretary is encouraged to consult and cooperate with other agencies, including representatives of Federal, State, local governments, and consortia of governmental organizations, that can assist in addressing challenges and capitalize on opportunities that require intergovernmental coordination. This includes cooperation with the U.S. Department of Labor to support economic and workforce development strategies and the promotion of regional innovation clusters.*

SEC. 103. COORDINATION. (42 U.S.C. § 3133)

(a) IN GENERAL.— The Secretary shall coordinate activities relating to the preparation and implementation of comprehensive economic development strategies under this Act with Federal agencies carrying out other Federal programs, States, economic development districts, Indian tribes, and other appropriate planning and development organizations.

(b) MEETINGS.— To carry out subsection (a), or for any other purpose related to economic development activities, the Secretary may convene meetings with Federal agencies, State and local governments, economic development districts, Indian tribes, and other appropriate planning and development organizations.

TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

SEC. 201. GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT. (42 U.S.C. § 3141)

(a) IN GENERAL.— On the application of an eligible recipient, the Secretary may make grants for—

(1) acquisition or development of land and improvements for use for a public works, public service, or development facility (*including science and research parks*); ~~and~~

(2) acquisition, design and engineering, construction, rehabilitation, alteration, expansion, or improvement of such a facility, including related machinery and equipment; *and*

(3) *other activities which the Secretary determines would be necessary or useful to support the establishment and operation of such facilities on a sustainable basis, including related planning, technical assistance and business development assistance to enable the recipient to bring together regional assets and encourage entrepreneurial development, and to the extent needed to support entrepreneurial development, revolving loan funds pursuant to the authority under section 209 of this Act.*

(b) CRITERIA FOR GRANT.— The Secretary may make a grant under this section only if the Secretary determines that—

(1) the project for which the grant is applied for will, directly or indirectly—

(A) improve the opportunities, in the area where the project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities;

(B) assist in the creation of additional long-term employment opportunities in the area; or

(C) primarily benefit the long-term unemployed and members of low-income families;

(2) the project for which the grant is applied for will fulfill a pressing need of the area, or a part of the area, in which the project is or will be located; and

(3) the area for which the project is to be carried out has a comprehensive economic development strategy and the project is consistent with the strategy.

(c) MAXIMUM ASSISTANCE FOR EACH STATE.— Not more than 15 percent of the amounts made available to carry out this section may be expended in any 1 State.

SEC. 202. BASE CLOSINGS AND REALIGNMENTS. (42 U.S.C. § 3142)

Notwithstanding any other provision of law, the Secretary may provide to an eligible recipient any assistance available under this title for a project to be carried out on a military or Department of Energy installation that is closed or scheduled for closure or realignment without requiring that the eligible recipient have title to the property or a leasehold interest in the property for any specified term.

SEC. 203. GRANTS FOR PLANNING AND GRANTS FOR ADMINISTRATIVE EXPENSES. (42 U.S.C. § 3143)

(a) IN GENERAL.— On the application of an eligible recipient, the Secretary may make grants to pay the costs of economic development planning and the administrative expenses of organizations that carry out the planning.

(b) PLANNING PROCESS.— Planning assisted under this title shall be a continuous process involving public officials and private citizens in—

(1) analyzing local economies;

(2) defining economic development goals;

(3) determining project opportunities;

(4) formulating and implementing an economic development program that includes systematic efforts to reduce unemployment and increase incomes *by fostering innovation and entrepreneurship;*

(5) fostering regional collaboration among local jurisdictions and organizations; and

(6) facilitating a stakeholder process which assists the community or region in creating an economic development vision that

takes into account local and regional assets (including natural, social, community, and geographic resources) and global economic change.

(c) USE OF PLANNING ASSISTANCE.— Planning assistance under this title shall be used in conjunction with any other available Federal planning assistance to ensure adequate and effective planning and economical use of funds.

(d) STATE PLANS.—

(1) DEVELOPMENT.— Any State plan developed with assistance under this section shall be developed, to the maximum extent practicable, cooperatively by the State, political subdivisions of the State, and the economic development districts located wholly or partially in the State.

(2) COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY.— As a condition of receipt of assistance for a State plan under this subsection, the State shall have or develop a comprehensive economic development strategy.

(3) COORDINATION.— Before providing assistance for a State plan under this section, the Secretary shall consider the extent to which the State will consider local and economic development district plans.

(4) COMPREHENSIVE PLANNING PROCESS.— Any overall State economic development planning assisted under this section shall be a part of a comprehensive planning process that shall consider the provision of public works to—

(A) promote economic development and opportunity;

(B) foster effective transportation access;

(C) enhance and protect the environment;

(D) assist in carrying out the workforce investment strategy of a State;

(E) promote the use of technology in economic development, including access to high-speed telecommunications; ~~and~~

(F) balance resources through the sound management of physical development; and

(G) support sustainable development practices and the efficient coordination and leveraging of public and private investments.

(5) REPORT TO SECRETARY.— Each State that receives assistance for the development of a plan under this subsection shall submit to the Secretary an annual report on the planning process assisted under this subsection.

(e) ADDITIONAL AMOUNTS TO ADDRESS SEVERE NEED. In determining the amount of funds to provide a recipient for planning assistance under this section, the Secretary shall take into account those recipients located in regions which are eligible for a investment rate of 80 percent or higher or located in regions that are experiencing severe need due to long-term economic deterioration or sudden and severe economic distress.

“(f) ENCOURAGING PLANNING ASSISTANCE ON A BROADER REGIONAL SCALE.

In order to encourage district organizations to develop regional economic competitiveness strategies on a broader basis in collaboration with other district organizations and entities outside the confines of a single economic development district, the Secretary may increase the Federal share otherwise applicable to such recipients or increase the amount of Federal assistance to such recipients.

SEC. 204. COST SHARING. (42 U.S.C. § 3144)

(a) FEDERAL SHARE.— Except as provided in subsection (c), the Federal share of the cost of any project carried out under this title shall not exceed—

(1) 50 percent; plus

(2) an additional percent that—

(A) shall not exceed 30 percent; and

(B) is based on the relative needs of the area in which the project will be located, as determined in accordance with regulations promulgated by the Secretary.

(b) NON-FEDERAL SHARE.— In determining the amount of the non-Federal share of the cost of a project, the Secretary may provide credit toward the non-Federal share for all contributions both in cash and in-kind, fairly evaluated, including contributions of space, equipment, assumptions of debt, and services.

(c) INCREASE IN FEDERAL SHARE.—

(1) INDIAN TRIBES.— In the case of a grant to an Indian tribe for a project under this title, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project.

(2) CERTAIN STATES, POLITICAL SUBDIVISIONS, AND NONPROFIT ORGANIZATIONS.— In the case of a grant to a State, or a political subdivision of a State, that the Secretary determines has exhausted the effective taxing and borrowing capacity of the State or political subdivision, or in the case of a grant to a nonprofit organization that the Secretary determines has exhausted the effective borrowing capacity of the nonprofit organization, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project. ***In making a determination under this paragraph, the Secretary may consider the impact on a State, tribal or local recipient of direct tax revenue declines on the availability of resources reasonably available to the recipient to meet the non-Federal share requirement of this section.***

(3) TRAINING, RESEARCH, AND TECHNICAL ASSISTANCE; PLANNING.—

(A) In the case of a grant provided under section 207, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project if the

Secretary determines that the project funded by the grant merits, and is not feasible without, such an increase.

(B) The Secretary may also provide a higher Federal share in order to encourage planning organizations receiving assistance under section 203 to conduct planning on a broader regional scale to build on competitive advantages available beyond the boundaries of a single district.

SEC. 205. SUPPLEMENTARY GRANTS. (42 U.S.C. § 3145)

(a) DEFINITION OF DESIGNATED FEDERAL GRANT PROGRAM.— In this section, the term ‘designated Federal grant program’ means any Federal grant program that—

(1) provides assistance in the construction or equipping of public works, public service, or development facilities;

(2) is designated as eligible for an allocation of funds under this section by the Secretary; and

(3) assists projects that are—

(A) eligible for assistance under this title; and

(B) consistent with a comprehensive economic development strategy.

(b) SUPPLEMENTARY GRANTS.— Subject to subsection (c), in order to assist eligible recipients in taking advantage of designated Federal grant programs, on the application of an eligible recipient, the Secretary may make a supplementary grant for a project for which the recipient is eligible but for which the recipient cannot provide the required non-Federal share because of the economic situation of the recipient.

(c) REQUIREMENTS APPLICABLE TO SUPPLEMENTARY GRANTS.—

(1) AMOUNT OF SUPPLEMENTARY GRANTS.— The share of the project cost supported by a supplementary grant under this section may not exceed the applicable Federal share under section 204.

(2) FORM OF SUPPLEMENTARY GRANTS.— The Secretary shall make supplementary grants by—

(A) the payment of funds made available under this Act to the heads of the Federal agencies responsible for carrying out the applicable Federal programs; or

(B) the award of funds under this Act, which will be combined with funds transferred from other Federal agencies in projects administered by the Secretary.

(3) FEDERAL SHARE LIMITATIONS SPECIFIED IN OTHER LAWS.—

Notwithstanding any requirement as to the amount or source of non-Federal funds that may be applicable to a Federal program, funds provided under this section may be used to increase the Federal share for specific projects under the program that are carried out in areas described in section 301(a) above the Federal share of the cost of the project authorized by the law governing the program.

SEC. 206. REGULATIONS ON RELATIVE NEEDS AND ALLOCATIONS.

(42 U.S.C. § 3146)

In promulgating rules, regulations, and procedures for assistance under this title, the Secretary shall ensure that—

(1) the relative needs of eligible areas are given adequate consideration by the Secretary, as determined based on, among other relevant factors—

(A) the severity of the rates of unemployment in the eligible areas and the duration of the unemployment;

(B) the income levels and the extent of underemployment in eligible areas; and

(C) the outmigration of population from eligible areas and the extent to which the outmigration is causing economic injury in the eligible areas;

(2) allocations of assistance under this title are prioritized to ensure that the level of economic distress of an area, rather than a preference for a geographic area or a specific type of economic distress, is the primary factor in allocating the assistance;

(3)(A) rural and urban economically distressed areas are not harmed by the establishment or implementation by the Secretary of a private sector leveraging goal for a project under this title;

(B) any private sector leveraging goal established by the Secretary does not prohibit or discourage grant applicants under this title from public works in, or economic development of, rural or urban economically distressed areas; and

(C) the relevant Committees of Congress are notified prior to making any changes to any private sector leveraging goal; and

(4) grants made under this title promote job creation and will have a high probability of meeting or exceeding applicable performance requirements established in connection with the grants.

SEC. 207. GRANTS FOR TRAINING, RESEARCH, AND TECHNICAL ASSISTANCE. (42 U.S.C. § 3147)

(a) IN GENERAL.—

(1) GRANTS.— On the application of an eligible recipient, the Secretary may make grants for training, research, and technical assistance, including grants for program evaluation and economic impact analyses, that would be useful in alleviating or preventing conditions of excessive unemployment or underemployment.

(2) TYPES OF ASSISTANCE.— Grants under paragraph (1) may be used for—

(A) project planning and feasibility studies;

(B) demonstrations of innovative activities or strategic economic development investments;

(C) management and operational assistance;

(D) establishment of university centers;

(E) establishment of business outreach centers;

(F) studies evaluating the needs of, and development potential for, economic growth of areas that the Secretary determines have substantial need for the assistance;

(G) studies that evaluate the effectiveness of coordinating projects funded under this Act with projects funded under other Acts;

(H) *studies evaluating regional innovation clusters and best practices relating to support of entrepreneurial infrastructure* [assessment, marketing, and establishment of business clusters];

(I) *a peer exchange program to promote industry-leading practices and innovations relating to the organizational development, program delivery, and regional initiatives of economic development districts;*

(J) *development and promotion of performance measures and centers of excellence in commercialization and entrepreneurship; and*

(K) other activities determined by the Secretary to be appropriate.

(3) COOPERATION REQUIREMENT.—In the case of a project assisted under this section that is national or regional in scope, the Secretary may waive the provision in section 3(4)(A)(vi) requiring a nonprofit organization or association to act in cooperation with officials of a political subdivision of a State.

(b) METHODS OF PROVISION OF ASSISTANCE.— In providing research and technical assistance under this section, the Secretary, in addition to making grants under subsection (a), may—

(1) provide research and technical assistance through officers or employees of the Department;

(2) pay funds made available to carry out this section to Federal agencies; or

(3) employ private individuals, partnerships, businesses, corporations, or appropriate institutions under contracts entered into for that purpose.

SEC. 208. SCIENCE AND RESEARCH PARKS. [~~REPEALED~~] (42 U.S.C. § 3148)

(a) Upon the application of an eligible recipient, the Secretary is authorized to provide financial assistance under this section for the development and construction of science and research parks to promote the clustering of innovation through high technology activities.

(b) DEFINITION.-- 'Science park' refers to a property-based venture, which has:

(1) Master planned property and buildings designed primarily for private-public research and development activities, high technology and science-based companies, and research and development support services;

(2) A contractual or operational relationship with one or more science- or research-related institution of higher education or governmental or non-profit research laboratories;

(3) A primary mission to promote research and development through industry partnerships, assisting in the growth of new ventures and promoting innovation-driven economic development;

(4) A role in facilitating the transfer of technology and business skills between researchers and industry teams; and

(5) A role in promoting technology-led economic development for the community or region in which the science park is located.

A science park may be owned by a governmental or not-for-profit entity, but it may enter into partnerships or joint ventures with for-profit entities for development or management of specific components of the park.

(c) DEVELOPMENT OF PLANS FOR CONSTRUCTION OF SCIENCE PARKS.--

(1) IN GENERAL.-- The Secretary may award grants for the development of feasibility studies and plans for the construction of new science parks or the renovation or expansion of existing science parks.

(2) LIMITATION ON AMOUNT OF GRANTS.-- The amount of a grant awarded under this subsection may not exceed \$750,000.

(3) AWARD.--

(A) COMPETITION REQUIRED.-- The Secretary shall award grants under this subsection pursuant to a full and open competition.

(B) GEOGRAPHIC DISPERSION.-- In conducting a competitive process, the Secretary shall consider the need to avoid undue geographic concentration among any one category of States based on their predominate rural or urban character as indicated by population density.

(C) SELECTION CRITERIA.-- The Secretary shall publish the criteria to be utilized in any competition under this paragraph for the selection of recipients of grants under this subsection, which shall include requirements relating to the--

(i) effect the science park will have on regional economic growth and development;

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

(iii) funding to be required to construct, renovate or expand the science park during its first 5 years;

(iv) amount and type of financing and access to capital available to the applicant;

(v) types of businesses and research entities expected in the science park and surrounding regional community;

- (vi) *letters of intent by businesses and research entities to locate in the science park;*
- (vii) *capability to attract a well-trained workforce to the science park;*
- (viii) *management of the science park during its first 5 years;*
- (ix) *expected financial risks in the construction and operation of the science park and the risk mitigation strategy;*
- (x) *physical infrastructure available to the science park, including roads, utilities, and telecommunications;*
- (xi) *utilization of energy-efficient building technology including nationally recognized green building design practices, renewable energy, cogeneration, and other methods that increase energy efficiency and conservation;*
- (xii) *consideration to the transformation of military bases affected by the base realignment and closure process (BRAC) or the redevelopment of existing buildings, structures, or brownfield sites that are abandoned, idled, or underused into single or multiple building facilities for science and technology companies and institutions;*
- (xiii) *ability to collaborate with other science parks throughout the world;*
- (xiv) *consideration of sustainable development practices and the quality of life at the science park; and*
- (xv) *other such criteria as the Secretary shall prescribe.*

(4) AUTHORIZATION OF APPROPRIATIONS.—*Of the amounts otherwise authorized for economic development assistance programs under section 701 of this Act, there are hereby authorized to be appropriated \$7,500,000 for each of the fiscal years 2011 through 2015 to carry out this subsection.*

(d) LOAN GUARANTEES FOR SCIENCE PARK INFRASTRUCTURE.--**(1) IN GENERAL.**-- *Subject to paragraph (2), the Secretary may guarantee up to 80 percent of the loan amount for projects for the construction, renovation, or expansion of science park infrastructure.*

(2) LIMITATIONS OF GUARANTEE AMOUNTS.-- *The maximum amount of loan principal guaranteed under this subsection may not exceed--*

- (A)** *\$50,000,000 with respect to any single project; and*
- (B)** *\$500,000,000 with respect to all projects.*

(3) SELECTION OF GUARANTEE RECIPIENTS.-- *The Secretary shall select recipients of loan guarantees under this subsection based upon the ability of the recipient to collateralize the loan amount through bonds, equity, property, and such other things of value as the Secretary shall deem necessary. Recipients of grants under subsection (a) are not eligible for a loan guarantee during the period of such grant. To the extent that the Secretary determines it to be feasible, the Secretary may select recipients of guarantee assistance in accord with a competitive process that takes into account the factors set out in subsection (c) of this section.*

(4) TERMS AND CONDITIONS FOR LOAN GUARANTEES.-- *The loans guaranteed under this subsection shall be subject to such terms and conditions as the Secretary may prescribe, except that--*

- (A)** *the final maturity of such loans made or guaranteed may not exceed the lesser of--*

- (i) 30 years; or
 - (ii) 90 percent of the useful life of any physical asset to be financed by such loan;
 - (B) a loan guaranteed under this subsection may not be subordinated to another debt contracted by the borrower or to any other claims against the borrowers in the case of default;
 - (C) a loan may not be guaranteed under this subsection unless the Secretary determines that the lender is responsible and that provision is made for servicing the loan on reasonable terms and in a manner that adequately protects the financial interest of the United States;
 - (D) a loan may not be guaranteed under this subsection if--
 - (i) the income from such loan is excluded from gross income for purposes of chapter 1 of the Internal Revenue Code of 1986; or
 - (ii) the guarantee provides significant collateral or security, as determined by the Secretary in coordination with the Secretary of the Treasury, for other obligations the income from which is so excluded;
 - (E) any guarantee provided under this subsection shall be conclusive evidence that--
 - (i) the guarantee has been properly obtained;
 - (ii) the underlying loan qualified for such guarantee;and
 - (iii) absent fraud or material misrepresentation by the holder, the guarantee is presumed to be valid, legal, and enforceable;
 - (F) the Secretary may not extend credit assistance unless the Secretary has determined that there is a reasonable assurance of repayment; and
 - (G) new loan guarantees may not be committed except to the extent that appropriations of budget authority to cover their costs are made in advance, as required under section 504 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c).

(5) PAYMENT ON LOSSES.--

(A) IN GENERAL.-- If, as a result of a default by a borrower under a loan guaranteed under this subsection, after the holder has made such further collection efforts and instituted such enforcement proceedings as the Secretary may require, the Secretary determines that the holder has suffered a loss, the Secretary shall pay to such holder the percentage of such loss specified in the guarantee contract. Upon making any such payment, the Secretary shall be subrogated to all the rights of the recipient of the payment. The Secretary shall be entitled to recover from the borrower the amount of any payments made pursuant to any guarantee entered into under this section.

(B) ENFORCEMENT OF RIGHTS.-- The Attorney General shall take such action as may be appropriate to enforce any right accruing to the United States as a result of the issuance of any guarantee under this section.

(C) FORBEARANCE.-- Nothing in this section may be construed to preclude any forbearance for the benefit of the borrower which may

be agreed upon by the parties to the guaranteed loan and approved by the Secretary, if budget authority for any resulting subsidy costs (as defined in section 502(5) of the Federal Credit Reform Act of 1990) is available.

(6) REVIEW.—(A) the Secretary shall periodically assess the credit risk of new and existing guaranteed loans.

(B) Not later than 2 years after the date of the enactment of this section, the Comptroller General of the United States shall--

(i) conduct a review of the subsidy estimates for the loan guarantees under this subsection; and

(ii) submit to Congress a report on the review conducted under this paragraph.

(7) TERMINATION.--A loan may not be guaranteed under this subsection after September 30, 2015.

(8) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts otherwise authorized to be appropriated for economic development assistance programs under section 701 of this Act, there are hereby authorized to be appropriated--

(A) such sums as are necessary annually for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of guaranteeing up to \$235,000,000 in loans under this subsection; and

(B) such sums as may be necessary for administrative expenses in fiscal year 2011 and thereafter, such sums to remain available until expended.

SEC. 209. GRANTS FOR ECONOMIC ADJUSTMENT. (42 U.S.C. § 3149)

(a) **IN GENERAL.**— On the application of an eligible recipient, the Secretary may make grants for development of public facilities, *science and research parks*, public services, business development (including funding of a revolving loan fund, *challenge grants and prizes, and operating support for a business incubator*), planning, technical assistance, training, and any other assistance to alleviate long-term economic deterioration and sudden and severe economic dislocation and further the economic adjustment objectives of this title.

(b) **CRITERIA FOR ASSISTANCE.**— The Secretary may provide assistance under this section only if the Secretary determines that—

(1) the project will help the area to meet a special need arising from—

(A) actual or threatened severe unemployment; or

(B) economic adjustment problems resulting from severe changes in economic conditions; and

(2) the area for which a project is to be carried out has a comprehensive economic development strategy and the project is consistent with the strategy, except that this paragraph shall not apply to planning projects.

(c) **PARTICULAR COMMUNITY ASSISTANCE.**— Assistance under this section may include assistance provided for activities identified by communities, the economies of which are *impacted* (~~injured~~) by—

(1) military base closures [ø], realignments, *or mission growth*, defense contractor reductions in force, or Department of Energy defense-related funding

reductions, for help in diversifying their economies *or otherwise supporting the economic adjustment activities of the Secretary of Defense* through projects to be carried out on Federal Government installations or elsewhere in the communities;

(2) disasters or emergencies, in areas with respect to which a major disaster or emergency has been declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121 *et seq.*), for post-disaster economic recovery;

(3) international trade, for help in economic restructuring of the communities;

(4) fishery failures, in areas with respect to which a determination that there is a commercial fishery failure has been made under section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. § 1861a(a)); or

(5) the loss of manufacturing jobs, for reinvesting in and diversifying the economies of the communities.

(d) SPECIAL PROVISIONS RELATING TO REVOLVING LOAN FUND GRANTS.—

(1) IN GENERAL.— The Secretary shall promulgate regulations to maintain the proper operation and financial integrity of revolving loan funds established by recipients with assistance under this section.

(2) EFFICIENT ADMINISTRATION.— The Secretary may—

(A) at the request of a grantee, amend and consolidate grant agreements governing revolving loan funds to provide flexibility with respect to lending areas and borrower criteria;

(B) at the request of a grantee, approve the transfer of all or a portion of the assets of a revolving loan fund to another eligible recipient to assist in establishing or maintaining a multi-region or national revolving loan fund which has a focus on sustainable economic development practices as provided in section 218 of this Act;

(C) [B] assign or transfer assets of a revolving loan fund to a third party for the purpose of liquidation, and the third party may retain assets of the fund to defray costs related to liquidation; and

(D) [C] take such actions as are appropriate to enable revolving loan fund operators to sell or securitize loans (except that such actions may not include issuance of a Federal guaranty by the Secretary).

(3) TREATMENT OF ACTIONS.— An action taken by the Secretary under this subsection with respect to a revolving loan fund shall not constitute a new obligation if all grant funds associated with the original grant award have been disbursed to the recipient. ***In the event that the Secretary realizes proceeds as a result of a termination of a revolving loan fund award previously made under this Act, the Secretary may transfer and merge such proceeds with funds received to carry out this Act and use such proceeds to make additional revolving loan fund awards.***

(4) PRESERVATION OF SECURITIES LAWS.—

(A) NOT TREATED AS EXEMPTED SECURITIES.—No securities issued pursuant to paragraph (2)(C) shall be treated as exempted securities for purposes of the Securities Act of 1933 (15 U.S.C. 77a et seq.) or the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), unless exempted by rule or regulation of the Securities and Exchange Commission.

(B) PRESERVATION.— Except as provided in subparagraph (A), no provision of this subsection or any regulation promulgated by the Secretary under this subsection supersedes or otherwise affects the application of the securities laws (as the term is defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) or the rules, regulations, or orders of the Securities and Exchange Commission or a self-regulatory organization under that Commission.

(5) CONVERSION OF PROJECT ASSETS. If a recipient determines that a revolving loan fund established with funds available to the Secretary pursuant to this section is no longer needed as indicated by its inability to meet capital lending standards as the Secretary may prescribe, and the Secretary determines that the recipient is unable to improve operations by consolidating the fund with another fund or by changes in lending areas and borrowing criteria pursuant to paragraph (d)(2) of this section, the Secretary may consider the recipient’s request to convert project assets for use in connection with one or more other projects that meets or meet the requirements of this Act. The Secretary may approve a request to convert project assets if the Secretary determines that the proposed reuse of the funds by the recipient will make better use of such funds in light of the recipient’s current economic development needs.

(A) A recipient may accomplish such conversion under this subsection by selling revolving loan fund assets to a third party. The recipient shall use net proceeds from such sale to finance up to 100 percent of the cost of one or more projects that otherwise meets or meet the requirements of this Act (except that for purposes of section 301 of this Act, eligibility shall be presumed).

(B) A recipient may also accomplish such conversion over time by retaining repayments of principal and interest on loans. Such conversion shall be in accord with a strategic re-use plan

approved by the Secretary to allow for the build up of capital over time until sufficient funds are accumulated to fund other projects that meet the requirements of this Act. Interest earned on such retained repayments may also be retained by the recipient and used in accordance with such strategic re-use plan.

(C) The Secretary may attach such terms and conditions to a proposed conversion of project assets under this section as the Secretary deems appropriate. The Secretary shall ensure that any funds intended for conversion under this paragraph of this subsection are used in an expeditious manner.

SEC. 210. CHANGED PROJECT CIRCUMSTANCES. (42 U.S.C. § 3150.)

In any case in which a grant (including a supplementary grant described in section 205) has been made by the Secretary under this title (or made under this Act, as in effect on the day before the effective date of the Economic Development Administration Reform Act of 1998) for a project, and, after the grant has been made but before completion of the project, the purpose or scope of the project that was the basis of the grant is modified, the Secretary may approve, subject (except for a grant for which funds were obligated in fiscal year 1995) to the availability of appropriations, the use of grant funds for the modified project if the Secretary determines that—

(1) the modified project meets the requirements of this title and is consistent with the comprehensive economic development strategy submitted as part of the application for the grant; and

(2) the modifications are necessary to enhance economic development in the area for which the project is being carried out.

SEC. 211. USE OF FUNDS IN PROJECTS CONSTRUCTED UNDER PROJECTED COST. (42 U.S.C. § 3151)

(a) **IN GENERAL.**— In the case of a grant to a recipient for a construction project under section 201 or 209, if the Secretary determines, before closeout of the project, that the cost of the project, based on the designs and specifications that were the basis of the grant, has decreased because of decreases in costs, the Secretary may approve, without further appropriation, the use of the excess funds (or a portion of the excess funds) by the recipient—

(1) to increase the Federal share of the cost of a project under this title to the maximum percentage allowable under section 204; or

(2) to improve the project.

(b) **OTHER USES OF EXCESS FUNDS.**— Any amount of excess funds remaining after application of subsection (a) may be used by the Secretary for providing assistance under this Act.

(c) TRANSFERRED FUNDS.— In the case of excess funds described in subsection (a) in projects using funds transferred from other Federal agencies pursuant to section 604, the Secretary shall—

(1) use the funds in accordance with subsection (a), with the approval of the originating agency; or

(2) return the funds to the originating agency.

(d) REVIEW BY COMPTROLLER GENERAL.—

(1) REVIEW.— The Comptroller General shall regularly review the implementation of this section.

(2) REPORT.— Not later than 1 year after the date of enactment of this subsection, the Comptroller General shall submit to the Committee on Environment and Public Works Of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the findings of the Comptroller General on implementation of this subsection.

SEC. 212. REPORTS BY RECIPIENTS. (42 U.S.C. § 3152)

(a) IN GENERAL.— Each recipient of assistance under this title shall submit reports to the Secretary at such intervals and in such manner as the Secretary shall require by regulation, except that no report shall be required to be submitted more than 10 years after the date of closeout of the assistance award.

(b) CONTENTS.— Each report shall contain an evaluation of the effectiveness of the economic assistance provided under this title in meeting the need that the assistance was designed to address and in meeting the objectives of this Act.

SEC. 213. PROHIBITION ON USE OF FUNDS FOR ATTORNEY'S AND CONSULTANT'S FEES. (42 U.S.C. § 3153)

Assistance made available under this title shall not be used directly or indirectly for an attorney's or consultant's fee incurred in connection with obtaining grants and contracts under this title.

SEC. 214. SPECIAL IMPACT AREAS. (42 U.S.C. § 3154)

(a) IN GENERAL.— On the application of an eligible recipient that is determined by the Secretary to be unable to comply with the requirements of section 302, the Secretary may waive, in whole or in part, the requirements of section 302 and designate the area represented by the recipient as a special impact area.

(b) CONDITIONS.— The Secretary may make a designation under subsection (a) only after determining that—

(1) the project will fulfill a pressing need of the area; and

(2) the project will—

(A) be useful in alleviating or preventing conditions of excessive unemployment or underemployment; or

(B) assist in providing useful employment opportunities for the unemployed or underemployed residents in the area.

(c) NOTIFICATION.—At the time of the designation under subsection (a), the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a written notice of the designation, including a justification for the designation.

SEC. 215. PERFORMANCE AWARDS. (42 U.S.C. § 3154a)

(a) IN GENERAL.— The Secretary may make a performance award in connection with a grant made, on or after the date of enactment of this section, to an eligible recipient for a project under section 201 or 209.

(b) PERFORMANCE MEASURES.—

(1) REGULATIONS.— The Secretary shall promulgate regulations to establish performance measures for making performance awards under subsection (a).

(2) CONSIDERATIONS.— In promulgating regulations under paragraph (1), the Secretary shall consider the inclusion of performance measures that assess—

- (A) whether the recipient meets or exceeds scheduling goals;
- (B) whether the recipient meets or exceeds job creation goals;
- (C) amounts of private sector capital investments leveraged; and
- (D) such other factors as the Secretary determines to be

appropriate.

(c) AMOUNT OF AWARDS.—

(1) IN GENERAL.— The Secretary shall base the amount of a performance award made under subsection (a) in connection with a grant on the extent to which a recipient meets or exceeds performance measures established in connection with the grant.

(2) MAXIMUM AMOUNT.—The amount of a performance award may not exceed 10 percent of the amount of the grant.

(d) USE OF AWARDS .— A recipient of a performance award under subsection (a) may use the award for any eligible purpose under this Act, in accordance with section 602 and such regulations as the Secretary may promulgate.

(e) FEDERAL SHARE.—Notwithstanding section 204, the funds of a performance award may be used to pay up to 100 percent of the cost of an eligible project or activity.

(f) TREATMENT IN MEETING NON-FEDERAL SHARE REQUIREMENTS.— For the purposes of meeting the non-Federal share requirements under this, or any other, Act the funds of a performance award shall be treated as funds from a non-Federal source.

(g) TERMS AND CONDITIONS.— In making performance awards under subsection (a), the Secretary shall establish such terms and conditions as the Secretary considers to be appropriate.

(h) FUNDING.— The Secretary shall use any amounts made available for economic development assistance programs to carry out this section.

(i) **REPORTING REQUIREMENT.**— The Secretary shall include information regarding performance awards made under this section in the annual report required under section 603.

(j) **REVIEW BY COMPTROLLER GENERAL.**—

(1) **REVIEW.**— The Comptroller General shall regularly review the implementation of this section.

(2) **REPORT.**— Not later than 1 year after the date of enactment of this section, the Comptroller General shall transmit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the findings of the Comptroller on implementation of this subsection.

SEC. 216. PLANNING PERFORMANCE AWARDS. (42 U.S.C. § 3154b)

(a) **IN GENERAL.**— The Secretary may make a planning performance award in connection with a grant made, on or after the date of enactment of this section, to an eligible recipient for a project under this title located in an economic development district.

(b) **ELIGIBILITY.**— The Secretary may make a planning performance award to an eligible recipient under subsection (a) in connection with a grant for a project if the Secretary determines before closeout of the project that —

(1) the recipient actively participated in the economic development activities of the economic development district in which the project is located;

(2) the project is consistent with the comprehensive economic development strategy of the district;

(3) the recipient worked with Federal, State, and local economic development entities throughout the development of the project; and

(4) the project was completed in accordance with the comprehensive economic development strategy of the district.

(c) **MAXIMUM AMOUNT.**— The amount of a planning performance award made under subsection (a) in connection with a grant may not exceed 5 percent of the amount of the grant.

(d) **USE OF AWARDS.**— A recipient of a planning performance award under subsection (a) shall use the award to increase the Federal share of the cost of a project under this title.

(e) **FEDERAL SHARE.**— Notwithstanding section 204, the funds of a planning performance award may be used to pay up to 100 percent of the cost of a project under this title.

(f) **FUNDING.**— The Secretary shall use any amounts made available for economic development assistance programs to carry out this section.

SEC. 217. DIRECT EXPENDITURE OR REDISTRIBUTION BY RECIPIENT.

(42 U.S.C. § 3154c)

(a) IN GENERAL.— Subject to subsection (b), a recipient of a grant under section 201, 203, or 207 may directly expend the grant funds or may redistribute the funds in the form of a subgrant to other eligible recipients to fund required components of the scope of work approved for the project.

(b) LIMITATION.— A recipient may not redistribute grant funds received under section 201 or 203 to a for-profit entity.

(c) ECONOMIC ADJUSTMENT.— Subject to subsection (d), a recipient of a grant under section 209 may directly expend the grant funds or may redistribute the funds to public and private entities in the form of a grant, loan, loan guarantee, payment to reduce interest on a loan guarantee, or other appropriate assistance.

(d) LIMITATION.— Under subsection (c), a recipient may not provide any grant to a private for-profit entity.

SEC. 218. SUSTAINABLE ECONOMIC DEVELOPMENT [BRIGHTFIELDS DEMONSTRATION PROGRAM]. (42 U.S.C. § 3154d)

(a) In administering programs under this Act, the Secretary shall support activities which will employ economic development practices that contribute to the preservation and enhancement of environmental quality by limiting the nation's dependence on non-renewable fuels, enhancing energy efficiency, curbing greenhouse-gas emissions, protecting natural systems, and promoting development and redevelopment on previously developed land. By supporting these activities as an essential part of carrying out the agency's core mission of economic development, the Secretary will effectively contribute to the growth of an environmentally sustainable economy by supporting the efforts of rural and urban regions in developing new and emerging business clusters related to renewable energy, environmental technology, and natural resource restoration. For purposes of this section, an 'environmentally sustainable economy' refers to the development, manufacturing and use of products, processes and services that contribute to economic growth and alleviate economic distress by respecting, repairing, and sustaining the environment.

~~[(a) DEFINITION OF BRIGHTFIELD SITE.— In this section, the term 'brightfield site' means a brownfield site that is redeveloped through the incorporation of 1 or more solar energy technologies.~~

~~—(b) DEMONSTRATION PROGRAM.— On the application of an eligible recipient, the Secretary may make a grant for a project for the development of a brightfield site if the Secretary determines that the project will—~~

~~—(1) use 1 or more solar energy technologies to develop abandoned or contaminated sites for commercial use; and~~

~~—(2) improve the commercial and economic opportunities in the area where the project is located.~~

~~——(c) SAVINGS CLAUSE.—To the extent that any portion of a grant awarded under subsection (b) involves remediation, the remediation shall be subject to section 612.~~

(b) [(d)] AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section [~~\$5,000,000~~] ***\$25,000,000 in fiscal year 2010, \$16,500,000 in fiscal year 2011, and such sums as necessary*** for each of fiscal years 2012 [~~2004~~] through 2015 [~~2008~~], to remain available until expended.

TITLE III— ELIGIBILITY; COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES

SEC. 301. ELIGIBILITY OF AREAS. (42 U.S.C. § 3161)

(a) IN GENERAL.— For a project to be eligible for assistance under section 201 or 209, the project shall be located in an area that, on the date of submission of the application, meets one or more of the following criteria:

(1) LOW PER CAPITA INCOME.— The area has a per capita income of 80 percent or less of the national average.

(2) UNEMPLOYMENT RATE ABOVE NATIONAL AVERAGE.— The area has an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate.

(3) UNEMPLOYMENT OR ECONOMIC ADJUSTMENT PROBLEMS.— The area is an area that the Secretary determines has experienced or is about to experience a special need arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions.

(b) POLITICAL BOUNDARIES OF AREAS.— An area that meets 1 or more of the criteria of subsection (a), including a small area of poverty or high unemployment within a larger community in less economic distress, shall be eligible for assistance under section 201 or 209 without regard to political or other subdivisions or boundaries.

(c) DOCUMENTATION.—

(1) IN GENERAL.— A determination of eligibility under subsection (a) shall be supported by the most recent Federal data available (including data available from the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Census Bureau, the Bureau of Indian Affairs, or any other Federal source determined by the Secretary to be appropriate), or, if no recent Federal data is available, by the most recent data available through the government of the State in which the area is located.

(2) ACCEPTANCE BY SECRETARY.— The documentation shall be accepted by the Secretary unless the Secretary determines that the documentation is inaccurate.

(d) PRIOR DESIGNATIONS.— Any designation of a redevelopment area made before the effective date of the Economic Development Administration Reform Act of 1998 shall not be effective after that effective date.

SEC. 302. COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES.

(42 U.S.C. § 3162)

(a) IN GENERAL.— The Secretary may provide assistance under section 201 or 209 (except for planning assistance under section 209) to an eligible recipient for a project only if the eligible recipient submits to the Secretary, as part of an application for the assistance—

(1) an identification of the economic development problems *and opportunities* to be addressed using the assistance;

(2) an identification of the past, present, and projected future economic development investments in the area receiving the assistance and public, ~~and~~ private, *and non-profit* participants and sources of funding for the investments; and

(3)(A) a comprehensive economic development strategy for addressing the economic problems *and opportunities* identified under paragraph (1) in a manner that promotes economic development and opportunity, fosters effective transportation access, maximizes effective development and use of the workforce consistent with any applicable State or local workforce investment strategy, promotes the *effective* use of technology in economic development (including access to high-speed telecommunications), enhances and protects the environment, and *optimizes* ~~balances~~ resources through sound management of development; and

(B) a description of how the strategy will solve the problems *and take advantage of the opportunities*.

(b) APPROVAL OF COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY.— The Secretary shall approve a comprehensive economic development strategy that meets the requirements of subsection (a) to the satisfaction of the Secretary.

(c) APPROVAL OF OTHER PLAN.— (1) IN GENERAL.— The Secretary may accept as a comprehensive economic development strategy a satisfactory plan developed under another federally, *State, and locally* supported program.

(2) EXISTING STRATEGY.— To the maximum extent practicable, a plan submitted under this paragraph shall be consistent and coordinated with any existing comprehensive economic development strategy for the area.

TITLE IV— ECONOMIC DEVELOPMENT DISTRICTS

SEC. 401. DESIGNATION OF ECONOMIC DEVELOPMENT DISTRICTS.

(42 U.S.C. § 3171)

(a) IN GENERAL.— In order that economic development projects of broad geographic significance may be planned and carried out, the Secretary may designate

appropriate economic development districts in the United States, with the concurrence of the States in which the districts will be wholly or partially located, if—

(1) the proposed district is of sufficient size or population, and contains sufficient resources, to foster economic development on a scale involving more than a single area described in section 301(a);

(2) the proposed district contains at least 1 area described in section 301(a); and

(3) the proposed district has a comprehensive economic development strategy that—

(A) contains a specific program for intra-district cooperation, self-help, and public investment; and

(B) is approved by each affected State and by the Secretary.

(b) AUTHORITIES.— The Secretary may, under regulations promulgated by the Secretary—

(1) invite the States to determine boundaries for proposed economic development districts;

(2) cooperate with the States—

(A) in sponsoring and assisting district economic planning and economic development groups; and

(B) in assisting the district groups in formulating comprehensive economic development strategies for districts; and

(3) encourage participation by appropriate local government entities in the economic development districts.

SEC. 402. TERMINATION OR MODIFICATION OF ECONOMIC DEVELOPMENT DISTRICTS. (42 U.S.C. § 3172)

The Secretary shall, by regulation, promulgate standards for the termination or modification of the designation of economic development districts. *The Secretary shall also review district designations periodically to evaluate whether they are aligned in a manner to best meet current economic development and labor force needs. The Secretary may also approve the combination of existing districts when warranted and provide a level of assistance commensurate with that combination.*

SEC. 403. [Repealed.] (42 U.S.C. § 3173)

SEC. 404. PROVISION OF COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES TO REGIONAL COMMISSIONS. (42 U.S.C. § 3174)

If any part of an economic development district is in a region covered by 1 or more of the Regional Commissions, the economic development district shall ensure that a copy of the comprehensive economic development strategy of the district is provided to the affected Regional Commission.

SEC. 405. ASSISTANCE TO PARTS OF ECONOMIC DEVELOPMENT DISTRICTS NOT IN ELIGIBLE AREAS. (42 U.S.C. § 3175)

Notwithstanding section 301, the Secretary may provide such assistance as is available under this Act for a project in a part of an economic development district that is not in an area described in section 301(a), if the project will be of a substantial direct benefit to an area described in section 301(a) that is located in the district.

TITLE V– ADMINISTRATION

SEC. 501. ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT.
(42 U.S.C. § 3191)

(a) **IN GENERAL.**– The Secretary shall carry out this Act through an Assistant Secretary of Commerce for Economic Development, to be appointed by the President, by and with the advice and consent of the Senate.

(b) **COMPENSATION.**– The Assistant Secretary of Commerce for Economic Development shall be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(c) **DUTIES.**– The Assistant Secretary of Commerce for Economic Development shall carry out such duties as the Secretary shall require and shall serve as the administrator of the Economic Development Administration of the Department.

SEC. 502. ECONOMIC DEVELOPMENT INFORMATION CLEARINGHOUSE.
(42 U.S.C. § 3192)

In carrying out this Act, the Secretary shall–

- (1) maintain a central information clearinghouse on the Internet with–
 - (A) information on economic development, economic adjustment, disaster recovery, defense conversion, and trade adjustment programs and activities of the Federal Government;
 - (B) links to State economic development organizations; and
 - (C) links to other appropriate economic development resources;
- (2) assist potential and actual applicants for economic development, economic adjustment, disaster recovery, defense conversion, and trade adjustment assistance under Federal and State laws in locating and applying for the assistance;
- (3) assist areas described in section 301(a) and other areas by providing to interested persons, communities, industries, and businesses in the areas any technical information, market research, or other forms of assistance, information, or advice that would be useful in alleviating or preventing conditions of excessive unemployment or underemployment in the areas; and
- (4) obtain appropriate information from other Federal agencies needed to carry out the duties under this Act.

SEC. 503. CONSULTATION WITH OTHER PERSONS AND AGENCIES.

(42 U.S.C. § 3193)

(a) CONSULTATION ON PROBLEMS RELATING TO EMPLOYMENT.— The Secretary may consult with any persons, including representatives of labor, management, agriculture, and government, who can assist in addressing the problems of area and regional unemployment or underemployment.

(b) CONSULTATION ON ADMINISTRATION OF ACT.— The Secretary may provide for such consultation with interested Federal agencies as the Secretary determines to be appropriate in the performance of the duties of the Secretary under this Act.

SEC. 504. ADMINISTRATION, OPERATION, AND MAINTENANCE.

(42 U.S.C. § 3194)

The Secretary shall approve Federal assistance under this Act only if the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.

SEC. 505. [Repealed.] (42 U.S.C. § 3195)

SEC. 506. PERFORMANCE EVALUATIONS OF GRANT RECIPIENTS.

(42 U.S.C. § 3196)

(a) IN GENERAL.— The Secretary shall conduct an evaluation of each university center and each economic development district that receives grant assistance under this Act (each referred to in this section as a `grantee') to assess the grantee's performance and contribution toward retention and creation of employment.

(b) PURPOSE OF EVALUATIONS OF UNIVERSITY CENTERS.— The purpose of the evaluations of university centers under subsection (a) shall be to determine which university centers are performing well and are worthy of continued grant assistance under this Act, and which should not receive continued assistance, so that university centers that have not previously received assistance may receive assistance.

(c) TIMING OF EVALUATIONS.— Evaluations under subsection (a) shall be conducted on a continuing basis so that each grantee is evaluated within 3 years after the first award of assistance to the grantee, and at least once every 3 years thereafter, so long as the grantee receives the assistance.

(d) EVALUATION CRITERIA.—

(1) ESTABLISHMENT.— The Secretary shall establish criteria for use in conducting evaluations under subsection (a).

(2) EVALUATION CRITERIA FOR UNIVERSITY CENTERS.— The criteria for evaluation of a university center shall, at a minimum, provide for an assessment of the center's contribution to providing technical assistance, conducting applied research, program performance, and disseminating results of the activities of the center.

(3) EVALUATION CRITERIA FOR ECONOMIC DEVELOPMENT DISTRICTS.— The criteria for evaluation of an economic development district shall, at a

minimum, provide for an assessment of management standards, financial accountability, and program performance.

(e) PEER REVIEW.— In conducting an evaluation of a university center or economic development district under subsection (a), the Secretary shall provide for the participation of at least 1 other university center or economic development district, as appropriate, on a cost-reimbursement basis.

SEC. 507. NOTIFICATION OF REORGANIZATION. (42 U.S.C. § 3197)

Not later than 30 days before the date of any reorganization of the offices, programs, or activities of the Economic Development Administration, the Secretary shall provide notification of the reorganization to the Committee on Environment and Public Works and the Committee on Appropriations of the Senate, and the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives.

TITLE VI— MISCELLANEOUS

SEC. 601. POWERS OF SECRETARY. (42 U.S.C. § 3211)

(a) IN GENERAL.— In carrying out the duties of the Secretary under this Act, the Secretary may—

- (1) adopt, alter, and use a seal, which shall be judicially noticed;
- (2) subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such personnel as are necessary to carry out this Act;
- (3) hold such hearings, sit and act at such times and places, and take such testimony, as the Secretary determines to be appropriate;
- (4) request directly, from any Federal agency, board, commission, office, or independent establishment, such information, suggestions, estimates, and statistics as the Secretary determines to be necessary to carry out this Act (and each Federal agency, board, commission, office, or independent establishment may provide such information, suggestions, estimates, and statistics directly to the Secretary);
- (5) under regulations promulgated by the Secretary—
 - (A) assign or sell at public or private sale, or otherwise dispose of for cash or credit, in the Secretary's discretion and on such terms and conditions and for such consideration as the Secretary determines to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by the Secretary in connection with assistance provided under this Act; and
 - (B) collect or compromise all obligations assigned to or held by the Secretary in connection with that assistance until such time as the obligations are referred to the Attorney General for suit or collection;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, on such terms and conditions and for such consideration as the Secretary determines to be reasonable, any real or personal property conveyed to or otherwise acquired by the Secretary in connection with assistance provided under this Act;

(7) pursue to final collection, by means of compromise or other administrative action, before referral to the Attorney General, all claims against third parties assigned to the Secretary in connection with assistance provided under this Act;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), to the extent appropriate in connection with assistance provided under this Act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in the Secretary, take any action, including the procurement of the services of attorneys by contract, determined by the Secretary to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with assets held in connection with financial assistance provided under this Act;

(10)(A) employ experts and consultants or organizations as authorized by section 3109 of title 5, United States Code, except that contracts for such employment may be renewed annually;

(B) compensate individuals so employed, including compensation for travel time; and

(C) allow individuals so employed, while away from their homes or regular places of business, travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Federal Government service;

(11) establish performance measures for grants and other assistance provided under this Act, and use the performance measures to evaluate the economic impact of economic development assistance programs under this Act, which establishment and use of performance measures shall be provided by the Secretary through—

(A) officers or employees of the Department;

(B) the employment of persons under contracts entered into for such purposes; or

(C) grants to persons, using funds made available to carry out this Act;

(12) conduct environmental reviews and incur necessary expenses to evaluate and monitor the environmental impact of economic development assistance provided and proposed to be provided under this Act, including expenses associated with the representation and defense of the actions of the

Secretary relating to the environmental impact of the assistance, using any funds made available to carry out section 207;

(13) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, except that no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or the property of the Secretary; and

(14) establish such rules, regulations, and procedures as the Secretary considers appropriate for carrying out this Act.

(b) DEFICIENCY JUDGMENTS.— The authority under subsection (a)(7) to pursue claims shall include the authority to obtain deficiency judgments or otherwise pursue claims relating to mortgages assigned to the Secretary.

(c) INAPPLICABILITY OF CERTAIN OTHER REQUIREMENTS.— Section 3709 of the Revised Statutes (41 U.S.C. 5) shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of assistance provided under this Act if the premium for the insurance or the amount of the services or supplies does not exceed \$1,000.

(d) PROPERTY INTERESTS.—

(1) IN GENERAL.— The powers of the Secretary under this section, relating to property acquired by the Secretary in connection with assistance provided under this Act, shall extend to property interests of the Secretary relating to projects approved under—

(A) this Act;

(B) title I of the Public Works Employment Act of 1976 (42 U.S.C. § 6701 et seq.);

(C) title II of the Trade Act of 1974 (19 U.S.C. § 2251 et seq.);

and

(D) the Community Emergency Drought Relief Act of 1977 (42 U.S.C. § 5184 note; Public Law No. 95-31).

(2) RELEASE.— (A) *IN GENERAL.* The Secretary may release, in whole or in part, any real property interest, or tangible personal property interest, in connection with a grant after the date that is 20 years after the date on which the grant was awarded.

(B) *REVOLVING LOAN FUND PROGRAM.* *The Secretary may release the Government's interest in connection with a grant under subsection (d) of section 209 of this Act (42 U.S.C. § 3149) after the date that is 7 years after the date on which the grant was fully disbursed, provided the Secretary determines that such recipient has carried out the terms of the award in a satisfactory manner and provided that the Secretary determines that any proceeds realized from the release of the Government's interest will be used for one or more activities that continue to carry out the economic development purposes*

of this Act. The Secretary may also establish such additional terms and conditions as deemed appropriate.

(e) POWERS OF CONVEYANCE AND EXECUTION.— The power to convey and to execute, in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest in such property acquired by the Secretary under this Act may be exercised by the Secretary, or by any officer or agent appointed by the Secretary for that purpose, without the execution of any express delegation of power or power of attorney.

SEC. 602. MAINTENANCE OF STANDARDS. (42 U.S.C. § 3212)

All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. The Secretary shall not extend any financial assistance under this chapter for such a project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 3145 of title 40, United States Code.

SEC. 603. ANNUAL REPORT TO CONGRESS. (42 U.S.C. § 3213)

(a) IN GENERAL.— Not later than July 1, 2000, and July 1 of each year thereafter, the Secretary shall submit to Congress a comprehensive and detailed annual report on the activities of the Secretary under this Act during the most recently completed fiscal year.

(b) INCLUSIONS.—Each report required under subsection (a) shall—

(1) include a list of all grant recipients by State, including the projected private sector dollar to Federal dollar investment ratio for each grant recipient;

(2) include a discussion of any private sector leveraging goal with respect to grants awarded to—

(A) rural and urban economically distressed areas; and

(B) highly distressed areas; and

(3) after the completion of a project, include the realized private sector dollar to Federal dollar investment ratio for the project.

SEC. 604. DELEGATION OF FUNCTIONS AND TRANSFER OF FUNDS AMONG FEDERAL AGENCIES. (42 U.S.C. § 3214)

(a) DELEGATION OF FUNCTIONS TO OTHER FEDERAL AGENCIES.— The Secretary may—

(1) delegate to the heads of other Federal agencies such functions, powers, and duties of the Secretary under this Act as the Secretary determines to be appropriate; and

(2) authorize the redelegation of the functions, powers, and duties by the heads of the agencies.

(b) TRANSFER OF FUNDS TO OTHER FEDERAL AGENCIES.— Funds authorized to be appropriated to carry out this Act may be transferred between Federal agencies, if the funds are used for the purposes for which the funds are specifically authorized and appropriated.

(c) TRANSFER OF FUNDS FROM OTHER FEDERAL AGENCIES.—

(1) IN GENERAL.— Subject to paragraph (2), for the purposes of this Act, the Secretary may accept transfers of funds from other Federal agencies if the funds are used for the purposes for which (and in accordance with the terms under which) the funds are specifically authorized and appropriated.

(2) USE OF FUNDS.— The transferred funds—

(A) shall remain available until expended;

(B) may be used for administrative expenses incident to the projects associated with such transfers to the extent that such expenses do not exceed 3 percent in the case of projects not involving construction and 5 percent in the case of projects involving construction; and

(C) [~~(B)~~] may, to the extent necessary to carry out this Act, be transferred to and merged by the Secretary with the appropriations for salaries and expenses.

SEC. 605. PENALTIES. (42 U.S.C. § 3215)

(a) FALSE STATEMENTS; SECURITY OVERVALUATION.— A person that makes any statement that the person knows to be false, or willfully overvalues any security, for the purpose of—

(1) obtaining for the person or for any applicant any financial assistance under this Act or any extension of the assistance by renewal, deferment, or action, or by any other means, or the acceptance, release, or substitution of security for the assistance;

(2) influencing in any manner the action of the Secretary; or

(3) obtaining money, property, or any thing of value, under this Act;

shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

(b) EMBEZZLEMENT AND FRAUD-RELATED CRIMES.— A person that is connected in any capacity with the Secretary in the administration of this Act and that—

(1) embezzles, abstracts, purloins, or willfully misapplies any funds, securities, or other thing of value, that is pledged or otherwise entrusted to the person;

(2) with intent to defraud the Secretary or any other person or entity, or to deceive any officer, auditor, or examiner—

(A) makes any false entry in any book, report, or statement of or to the Secretary; or

(B) without being duly authorized, draws any order or issue, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof;

(3) with intent to defraud, participates or shares in or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, grant, commission, contract, or any other act of the Secretary; or

(4) gives any unauthorized information concerning any future action or plan of the Secretary that might affect the value of securities, or having such knowledge invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans, grants, or other assistance from the Secretary;

shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

SEC. 606. EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES. (42 U.S.C. § 3216)

Assistance shall not be provided by the Secretary under this Act to any business unless the owners, partners, or officers of the business—

(1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of the business for the purpose of expediting applications made to the Secretary for assistance of any kind, under this Act, and the fees paid or to be paid to the person for expediting the applications; and

(2) execute an agreement binding the business, for the 2-year period beginning on the date on which the assistance is provided by the Secretary to the business, to refrain from employing, offering any office or employment to, or retaining for professional services, any person who, on the date on which the assistance or any part of the assistance was provided, or within the 1-year period ending on that date—

(A) served as an officer, attorney, agent, or employee of the Department; and

(B) occupied a position or engaged in activities that the Secretary determines involved discretion with respect to the granting of assistance under this Act.

SEC. 607. MAINTENANCE AND PUBLIC INSPECTION OF LIST OF APPROVED APPLICATIONS FOR FINANCIAL ASSISTANCE. (42 U.S.C. § 3217)

(a) IN GENERAL.— The Secretary shall—

(1) maintain as a permanent part of the records of the Department a list of applications approved for financial assistance under this Act; and

(2) make the list available for public inspection during the regular business hours of the Department.

(b) ADDITIONS TO LIST.— The following information shall be added to the list maintained under subsection (a) as soon as an application described in subsection (a)(1) is approved:

(1) The name of the applicant and, in the case of a corporate application, the name of each officer and director of the corporation.

(2) The amount and duration of the financial assistance for which application is made.

(3) The purposes for which the proceeds of the financial assistance are to be used.

SEC. 608. RECORDS AND AUDITS. (42 U.S.C. § 3218)

(a) RECORD KEEPING AND DISCLOSURE REQUIREMENTS.— Each recipient of assistance under this Act shall keep such records as the Secretary shall require, including records that fully disclose—

(1) the amount and the disposition by the recipient of the proceeds of the assistance;

(2) the total cost of the project in connection with which the assistance is given or used;

(3) the amount and nature of the portion of the cost of the project provided by other sources; and

(4) such other records as will facilitate an effective audit.

(b) ACCESS TO BOOKS FOR EXAMINATION AND AUDIT.— The Secretary, the Inspector General of the Department, and the Comptroller General of the United States, or any duly authorized representative, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that relate to assistance received under this Act.

SEC. 609. RELATIONSHIP TO ASSISTANCE UNDER OTHER LAW.

(42 U.S.C. § 3219)

Nothing in this Act authorizes or permits any reduction in the amount of Federal assistance that any State or other entity eligible under this Act is entitled to receive under any other Act.

SEC. 610. ACCEPTANCE OF CERTIFICATIONS BY APPLICANTS. (42 U.S.C. § 3220)

Under terms and conditions determined by the Secretary, the Secretary may accept the certifications of an applicant for assistance under this Act that the applicant meets the requirements of this Act.

SEC. 611. BROWNFIELDS REDEVELOPMENT REPORT. (42 U.S.C. § 3221)

(a) DEFINITION OF BROWNFIELD SITE- In this section, the term 'brownfield site' has the meaning given the term in section 101(39) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(39)).

(b) REPORT.—

(1) IN GENERAL.— Not later than 1 year after the date of enactment of this section, the Comptroller General shall prepare a report that evaluates the grants made by the Economic Development Administration for the economic development of brownfield sites.

(2) CONTENTS.— The report shall—

(A) identify each project conducted during the previous 10-year period in which grant funds have been used for brownfield sites redevelopment activities; and

(B) include for each project a description of—

(i) the type of economic development activities conducted;

(ii) if remediation activities were conducted—

(I) the type of remediation activities; and

(II) the amount of grant money used for those activities in dollars and as a percentage of the total grant award;

(iii) the economic development and environmental standards applied, if applicable;

(iv) the economic development impact of the project;

(v) the role of Federal, State, or local environmental agencies, if any; and

(vi) public participation in the project.

(3) SUBMISSION OF REPORT.— The Comptroller General shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a copy of the report.

SEC. 612. SAVINGS CLAUSE. (42 U.S.C. 3222)

To the extent that any portion of grants made under this Act are used for an economic development project that involves remediation, the remediation shall be conducted in compliance with all applicable Federal, State, and local laws and standards.

SEC. 613. MAINTENANCE OF EFFORT.

(a) PERIOD OF FEDERAL INTEREST. To carry out the purposes of this Act, before awarding assistance for a construction project, the Secretary shall establish the expected period during which a recipient must make best efforts to accomplish economic development objectives of the investment assistance. In order to secure the Government's interest in obtaining the efforts for the entire period, property that is acquired or improved, in whole or in part, with investment assistance shall be held in trust by the recipient for the benefit of the project for the entire period, during which time the Secretary shall retain an undivided equitable reversionary interest in the property. If the Secretary determines that a recipient has fulfilled its obligations for the entire period with due regard for economic conditions present during the period, the Secretary may terminate the Government's interest.

(b) TERMINATION OF FEDERAL INTEREST. If a recipient determines that its economic development needs have changed since the time of the grant award but before the expiration of the period of Federal interest, the recipient may request the Secretary to extinguish the Federal interest in advance of the date established under subsection (a) of this section. The Secretary may approve that request upon payment of the Federal share in accord with the following:

(1) If the recipient requests termination on or before the 10th anniversary of the date of award, the recipient shall repay 100 percent of the fair market value of the pro rata Federal share of the project;

(2) If the recipient requests termination after the 10th anniversary of the date of award, the recipient shall repay the Federal share of the fair market value as if the value of the Federal share had been amortized over the period designated pursuant to subsection (a) based on a straight-line depreciation of the project throughout its estimated useful life.

(c) TERMS AND CONDITIONS. The authority of the Secretary under this section is in addition to any authority currently available under law or grant agreement. The Secretary may attach such terms and conditions as the Secretary deems appropriate in exercising this authority, including extending the period of Federal interest when the Secretary determines that a recipient's performance has been less than fully satisfactory.

(d) PREVIOUSLY EXTENDED ASSISTANCE. Upon request of a recipient of assistance previously extended under the Act prior to the date of enactment of

the Public Works and Economic Development Improvements Act of 2010, the Secretary may approve a period of Federal interest applicable to that previous award in a manner consistent with subsections (a) through (c) of this section in order to provide for uniform administration of the Act notwithstanding estimated useful life periods that may otherwise pertain to the award of assistance. In addition, when a recipient demonstrates that the original intended use of a project funded with assistance under this Act no longer represents the best use of such project property, the Secretary may approve the recipient's request to convert the project to a different use for the remainder of the term of the Federal interest provided that the new use is consistent with the purposes of this Act.

TITLE VII— FUNDING

SEC. 701. GENERAL AUTHORIZATION OF APPROPRIATIONS. (42 U.S.C. § 3231)

(a) **ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS.**— There are authorized to be appropriated for economic development assistance programs to carry out this Act, to remain available until expended, *\$255,000,000 for the period beginning October 1, 2009, and ending September 30, 2010, \$246,000,000 for the period beginning October 1, 2010, and ending September 30, 2011, and such sums as may be necessary for the period beginning October 1, 2011, and ending September 30, 2015.* [—

——— (1) \$400,000,000 for fiscal year 2004;

——— (2) \$425,000,000 for fiscal year 2005;

——— (3) \$450,000,000 for fiscal year 2006;

——— (4) \$475,000,000 for fiscal year 2007; and

——— (5) \$500,000,000 for fiscal year 2008]

(b) **SALARIES AND EXPENSES.**— There are authorized to be appropriated for salaries and expenses of administering this Act, to remain available until expended,

(1) \$38,000,000 for the period beginning October 1, 2009, and ending September 30, 2010;

(2) \$40,181,000 for the period beginning October 1, 2010, and ending September 30, 2011; , [—

——— (1) \$33,377,000 for fiscal year 2004; and

(3) such sums as may be necessary for each fiscal year thereafter.

**SEC. 702. AUTHORIZATION OF APPROPRIATIONS FOR DEFENSE
CONVERSION ACTIVITIES.** (42 U.S.C. § 3232)

(a) IN GENERAL.— In addition to amounts made available under section 701, there are authorized to be appropriated such sums as are necessary to carry out section 209(c)(1), to remain available until expended.

(b) PILOT PROJECTS.— Funds made available under subsection (a) may be used for activities including pilot projects for privatization of, and economic development activities for, closed or realigned military or Department of Energy installations.

**SEC. 703. AUTHORIZATION OF APPROPRIATIONS FOR DISASTER
ECONOMIC RECOVERY ACTIVITIES.** (42 U.S.C. § 3233)

(a) IN GENERAL.— In addition to amounts made available under section 701, there are authorized to be appropriated such sums as are necessary to carry out section 209(c)(2), to remain available until expended.

(b) FEDERAL SHARE.— The Federal share of the cost of activities funded with amounts made available under subsection (a) shall be up to 100 percent.

(c) *MERGING OF MISCELLANEOUS DISASTER FUNDS. As determined to be necessary to administer programs under this Act in an efficient manner, the Secretary is authorized to transfer and merge prior year disaster appropriations into the economic development assistance programs account whenever the Secretary determines that such funds are no longer reasonably necessary to respond to those disasters, provided that the Secretary's authority under this provision shall extend only to the extent that such appropriations under prior Acts do not exceed \$10,000,000 in any one fiscal year, such merged funds to remain available until expended. Amounts in excess of that amount shall be returned to the general fund of the Treasury.*

**SEC. 704. FUNDING FOR GRANTS FOR PLANNING AND GRANTS FOR
ADMINISTRATIVE EXPENSES.**

Of the amounts made available under section 701 for each fiscal year, not less than \$27,000,000 shall be made available for grants provided under section 203 of this Act.