

A BILL

To extend the authorization of the Public Works and Economic Development Act of 1965, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

1 **SECTION 1. SHORT TITLE.**

2 **SHORT TITLE.** – This Act may be cited as the “Economic Development
3 Administration Reauthorization Act of 2008.”

4
5 **SEC. 2. FIVE-YEAR EXTENSION OF AUTHORIZATION.**

6 **(a) ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS.** Subsection (a) of
7 section 701 of the Public Works and Economic Development Act of 1965 (42 U.S.C.
8 § 3231) is amended to read as follows:

9 *“(a) ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS. There are*
10 *authorized to be appropriated for economic development assistance programs to*
11 *carry out this Act, to remain available until expended, \$100,000,000 for the period*
12 *beginning October 1, 2008, and ending September 30, 2009, and such sums as*
13 *may be necessary for the period beginning October 1, 2009, and ending*
14 *September 30, 2013.”.*

15 **(b) SALARIES AND EXPENSES.** Subsection (b) of section 701 of that Act is
16 amended to read as follows:

17 *“(b) SALARIES AND EXPENSES. There are authorized to be appropriated*
18 *for salaries and expenses of administering this Act, to remain available until*
19 *expended, \$32,800,000 for the period beginning October 1, 2008 and ending*

1 *September 30, 2009, and such sums as may be necessary for each fiscal year*
2 *thereafter.”.*

3

4 **SEC. 3. ENHANCEMENT OF RECIPIENT FLEXIBILITY TO DEAL WITH**
5 **PROJECT ASSETS.**

6 **(a) REVOLVING LOAN FUND PROGRAM FLEXIBILITY.** Subsection (d) of
7 section 209 of that Act (42 U.S.C. § 3149) is amended by inserting the following new
8 paragraphs (5) and (6) at the end thereof:

9 **“(5) CONVERSION OF PROJECT ASSETS.** *If a recipient determines that a*
10 *revolving loan fund established with funds available to the Secretary pursuant to*
11 *this section is no longer needed, or determines that it could make better use of*
12 *such funds in light of its current economic development needs if they were made*
13 *available for other projects that meet the requirements of this Act, the recipient*
14 *may request the Secretary to approve the conversion of those funds.*

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

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

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

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

11 *“(6) PROGRAM ADMINISTRATION. Of the amounts appropriated to carry*
12 *out economic development assistance programs under section 701(a) of this Act, the*
13 *Secretary may allocate up to two percent of the total amount of funds that will support*
14 *activities under this section to develop and maintain an automated tracking and*
15 *monitoring system as the Secretary deems appropriate to ensure the proper operation*
16 *and financial integrity of the revolving loan program established under this section.”.*

17 **(b) ENHANCEMENT OF RECIPIENT FLEXIBILITY TO DEAL WITH PROPERTY**
18 **ASSETS IN CONNECTION WITH CONSTRUCTION PROJECTS.** Title VI of that Act is
19 amended by adding a new section 613 immediately following section 612 (42 U.S.C.
20 § 3222) to read as follows:

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

22 **“(a) PERIOD OF FEDERAL INTEREST.** *To carry out the purposes of this Act,*
23 *before awarding assistance for a construction project, the Secretary shall*

1 *establish the expected period during which a recipient must make best efforts to*
2 *accomplish economic development objectives of the investment assistance. In*
3 *order to secure the Government’s interest in obtaining the efforts for the entire*
4 *period, property that is acquired or improved, in whole or in part, with investment*
5 *assistance shall be held in trust by the recipient for the benefit of the project for*
6 *the entire period, during which time the Secretary shall retain an undivided*
7 *equitable reversionary interest in the property. If the Secretary determines that a*
8 *recipient has fulfilled its obligations for the entire period with due regard for*
9 *economic conditions present during the period, the Secretary may terminate the*
10 *Government’s interest.*

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

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

20 **“(2)** *If the recipient requests termination after the 10th anniversary*
21 *of the date of award, the recipient shall repay the federal share of the fair*
22 *market value as if the value of the federal share had been amortized over*

1 *the period designated pursuant to subsection (a) based on a straight-line*
2 *depreciation of the project throughout its estimated useful life.*

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

9 **“(d) PREVIOUSLY EXTENDED ASSISTANCE.** *Upon request of a recipient of*
10 *assistance previously extended under the Act prior to the date of enactment of the*
11 *Economic Development Administration Reauthorization Act of 2008, the*
12 *Secretary may approve a period of federal interest applicable to that previous*
13 *award in a manner consistent with subsections (a) through (c) of this section in*
14 *order to provide for uniform administration of the Act notwithstanding estimated*
15 *useful life periods that may otherwise pertain to the award of assistance. In*
16 *addition, when a recipient demonstrates that the original intended use of a project*
17 *funded with assistance under this Act no longer represents the best use of such*
18 *project property, the Secretary may approve the recipient’s request to convert the*
19 *project to a different use for the remainder of the term of the federal interest*
20 *provided that the new use is consistent with the purposes of this Act.”.*

21
22 **SEC. 4. ECONOMIC DEVELOPMENT PARTNERSHIPS.**

23 Section 101 of the Act is amended by adding a new subsection (e) as follows:

1 “(e) EXCELLENCE IN ECONOMIC DEVELOPMENT AWARDS. In order to recognize
2 innovative economic development strategies of national significance, the Secretary may
3 conduct an “Excellence in Economic Development Award” program. Organizations
4 eligible for recognition are any entities eligible to be a recipient under section 3 of this
5 Act, except for-profit firms and institutions. The Secretary shall make an award after
6 soliciting nominations publicly and in accordance with the selection and evaluation
7 procedures set out in such public solicitation. Award categories may include, but are not
8 limited to, recognition for excellence in –

9 “(1) urban or suburban economic development;

10 “(2) rural economic development;

11 “(3) environmental or energy economic development;

12 “(4) economic diversification strategies that respond to economic
13 dislocations, including economic dislocations caused by natural disasters and
14 military base realignment and closure actions;

15 “(5) university-led strategies to enhance economic development;

16 “(6) community and faith-based social entrepreneurship;

17 “(7) historic preservation-led strategies to enhance economic
18 development; and

19 “(8) such other areas as the Secretary deems appropriate.

20 “The Secretary may provide each organization selected for an award with a plaque,
21 bowl or similar artifact to commemorate the organization’s accomplishment. In
22 addition, the Secretary may use funds appropriated pursuant to this Act for such

- 1 *commemorative purposes provided that the total expenditures do not exceed \$2,000 in*
- 2 *any fiscal year.”.*