112TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mrs. BOXER (for herself, Mr. INHOFE, and Mr. BAUCUS) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

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

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Economic Development Revitalization Act of 2011''.

SEC. 2. FINDINGS AND DECLARATIONS.

Section 2 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121) is amended—

(1) in subsection (a)(3)(C), by inserting '', including the location of information technology and

manufacturing jobs in the United States'' after ''investment''; and

(2) in subsection (b), by striking paragraph (3) and inserting the following:

''(3) whether suffering from long-term distress or a sudden economic dislocation, distressed communities should be encouraged to promote innovation and entrepreneurship, including, as appropriate, the support of the formation of business incubators in economically distressed areas, so as to help regions to create higher-skill, higher-wage jobs and foster the participation of those regions in the global marketplace; and''.

SEC. 3. DEFINITIONS.

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

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by striking the period at the end and inserting ''; and'' ; and

(3) by adding at the end the following:

''(E) the Southeast Crescent Regional Commission established by section 15301(a)(1) of title 40, United States Code;

''(F) the Northern Border Regional Commission established by section 15301(a)(3) of title 40, United States Code; and

''(G) the Southwest Border Regional Commission established by section 15301(a)(2) of title 40, United States Code.''.

SEC. 4. ECONOMIC DEVELOPMENT PARTNERSHIPS.

Section 101 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131) is amended—

(1) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting ''economic development districts, university centers,'' after ''multi-State regional organizations,'';

(B) by striking paragraph (2) and inserting the following:

''(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 across the United States; and''; and

(C) in paragraph (3), by inserting '', innovation, entrepreneurship, beneficial development,'' after ''infrastructure''; and

(2) in subsection (c), by inserting ''(including economic development districts)'' after ''local government agencies''.

SEC. 5. ENCOURAGEMENT OF CERTAIN COORDINATION.

Section 102 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3132) is amended—

(1) by striking ''In accordance with'' and inserting the following:

''(a) IN GENERAL.—In accordance with''; and

(2) by adding at the end the following:

''(b) GOVERNMENTAL COOPERATION.—

''(1) IN GENERAL.—The Secretary is authorized and encouraged to consult and cooperate with other agencies, including representatives of the Federal Government, State and local governments, and consortia of governmental organizations, that can assist in addressing challenges and capitalize on opportunities that require intergovernmental coordination.

''(2) LABOR.—In carrying out paragraph (1), the Secretary shall cooperate with the Secretary of Labor to support economic and workforce development strategies and the promotion of regional innovation clusters.''.

SEC. 6. ADDITIONAL SUPPORT FOR ENTERPRISE DEVELOPMENT ORGANIZATIONS WITHIN THE PUBLIC WORKS PROGRAM.

Section 201(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141) is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(3) other activities the conduct of which the Secretary determines would be necessary or useful to support the establishment and operation of those facilities on an ongoing basis, including—

''(A) related planning, technical assistance, and business development assistance to enable the recipient to bring together regional assets and encourage entrepreneurial development; and

''(B) to the extent needed to support entrepreneurial development, revolving loan funds pursuant to section 209.''.

SEC. 7. GRANTS FOR PLANNING AND GRANTS FOR ADMINISTRATIVE EXPENSES.

Section 203 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3143) is amended—

(1) in subsection (b)—

(A) in paragraph (3), by striking ''and'' at the end; and

(B) by striking paragraph (4) and inserting the following:

''(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 that assists the community or region in creating an economic development vision that takes into account local and regional assets (including natural, social, community, and geographical resources) and global economic change.'';

(2) in subsection (d)—

(A) in paragraph (4)—

(i) in subparagraph (E), by striking ''and'' at the end;

(ii) in subparagraph (F), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(G) support development practices that—

''(i) enhance energy and water efficiency;

''(ii) reduce the dependence of the United States on foreign oil; and

''(iii) encourage efficient coordination and leveraging of public and private investments.''; and

(B) in paragraph (5), by striking ''subsection shall'' and all that follows through the end of the paragraph and inserting the following: ''subsection shall—

''(A) submit to the Secretary an annual report on the planning process assisted under this subsection; and

''(B) provide a copy of each annual report to each economic development district within the State.''; and

(3) by adding at the end the following:

''(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 that are—

''(1) eligible for an investment rate of 80 percent or higher; or

''(2) 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—

''(1) the Federal share otherwise applicable to the recipients; or

''(2) the amount of Federal assistance to the recipients.''.

SEC. 8. COST SHARING.

(a) FEDERAL SHARE.—Section 204(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3144(a)) is amended by striking ''shall not exceed—'' and all that follows through the end of the subsection and inserting ''shall not exceed 50 percent, except as otherwise expressly provided in this Act.''.

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

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

(2) by inserting before paragraph (2) (as redesignated by paragraph (1)) the following:

''(1) RELATIVE NEEDS OF AN AREA.—

''(A) 150-PERCENT HIGHER UNEMPLOYMENT RATE.—In the case of a grant made in an area for which the 24-month unemployment rate is at least 150 percent of the national average or the per capita income is not more than 70 percent of the national average, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 60 percent of the cost of the project.

''(B) 175-PERCENT HIGHER UNEMPLOYMENT RATE.—In the case of a grant made in an area for which the 24-month unemployment rate is at least 175 percent of the national average or the per capita income is not more than 60 percent of the national average, the Secretary may increase the Federal share above the

percentage specified in subsection (a) up to 70 percent of the cost of the project.

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

''(D) ADDITIONAL CRITERIA.—The Secretary may establish eligibility criteria in addition to the criteria described in this paragraph to address areas impacted by severe outmigration, sudden and severe economic dislocations, and other economic circumstances, on the condition that a Federal share established for such eligibility criteria shall not exceed 80 percent.'';

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

(A) by striking ''may'' and inserting ''shall''; and

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

(4) by adding at the end the following:

''(5) FEDERALLY DECLARED DISASTER AREAS.—In the case of a grant for an area 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.) during the 18-month period ending on the date on which the Federal share is determined, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project.''.

SEC. 9. GRANTS FOR TRAINING, RESEARCH, AND TECHNICAL ASSISTANCE.

Section 207(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3147(a)) is amended—

(1) in paragraph (1), by striking ''or underemployment'' and inserting '', outmigration, or underemployment, or in assisting in the location of information technology and manufacturing jobs in the United States''; and

(2) in paragraph (2)—

(A) in subparagraph (H), by striking ''and'' at the end;

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

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

''(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; and''.

SEC. 10. ENHANCEMENT OF RECIPIENT FLEXIBILITY TO DEAL WITH PROJECT ASSETS.

(a) PARTICULAR COMMUNITY ASSISTANCE.—Section 209(c) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149(c)) is amended—

(1) in the matter preceding paragraph (1), by striking ''injured'' and inserting ''impacted'';

(2) by striking paragraph (1) and inserting the following:

''(1) military base closures, realignments, or mission growth, defense contractor reductions in force, or Department of Energy defense-related funding reductions, for help in—

"(A) diversifying the economies of the communities; or

"(B) 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;"; and

(3) by striking paragraph (5) and inserting the following:

"(5) the loss of information technology, manufacturing, natural resource-based, agricultural, or service sector jobs, for reinvesting in and diversifying the economies of the communities.".

(b) REVOLVING LOAN FUND PROGRAM FLEXIBILITY.—Section 209(d) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149(d)) is amended—

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

(2) by inserting after paragraph (1) the following:

"(2) COMMENTS.—

"(A) IN GENERAL.—The Secretary shall periodically solicit from the individuals and entities described in subparagraph (B)—

''(i) comments regarding the guidelines and performance requirements for the revolving loan fund program; and

''(ii) recommendations for improving the performance of the program and grantees under the program.

''(B) DESCRIPTION OF INDIVIDUALS AND ENTITIES.—The individuals and entities referred to in subparagraph (A) are—

''(i) the public; and

''(ii) in particular, revolving loan fund grantees, national experts, and employees of Federal agencies with knowledge of international, national, regional, and statewide trends, innovations, and noteworthy practices relating to business development finance, including public and private lending and technical assistance intermediaries.'';

(3) in subparagraph (A) of paragraph (5) (as redesignated by paragraph (1)), by striking ''paragraph (2)(C)'' and inserting ''paragraph (3)(C)''; and

(4) by adding at the end the following:

''(6) CONVERSION OF PROJECT ASSETS.—

''(A) REQUEST.—If a recipient determines that a revolving loan fund established using assistance provided under this section is no longer needed, or that the recipient could make better use of the assistance in light of the current economic development needs of the recipient if the assistance was made available to carry out any other project that meets the requirements of this Act, the recipient may submit to the Secretary a request to approve the conversion of the assistance.

''(B) METHODS OF CONVERSION.—A recipient request to convert assistance that is approved under subparagraph (A) may accomplish the conversion by—

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

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

''(C) REQUIREMENTS.—

''(i) SALE.—

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

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

''(II) TREATMENT.—For purposes of subclause (I), a project described in that subclause shall be considered to be eligible under section 301.

''(ii) RETENTION OF REPAYMENTS.—Retention by a recipient of any repayment under subparagraph (B)(ii) shall be carried out in accordance with a strategic reuse plan approved by the Secretary that provides for the increase of capital over time until sufficient amounts (including interest earned on the amounts) are accumulated to fund other projects that meet the requirements of this Act.

''(D) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions regarding a proposed conversion of the use of assistance under this paragraph as the Secretary determines to be appropriate.

''(E) EXPEDIENCY REQUIREMENT.—The Secretary shall ensure that any assistance intended to be converted for use pursuant to this paragraph is used in an expeditious manner.

''(7) PROGRAM ADMINISTRATION.—The Secretary may allocate not more than 2 percent of the amounts made available for grants under this section for the development and maintenance of an automated tracking and monitoring system to ensure the proper operation and financial integrity of the revolving loan program established under this section.''.

SEC. 11. RENEWABLE ENERGY PROGRAM.

Section 218 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3154d) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) DEFINITION OF RENEWABLE ENERGY SITE.—In this section, the term 'renewable energy site' means a brownfield site that is redeveloped through the incorporation of 1 or more renewable energy technologies, including, but not limited to, solar, wind, and geothermal technologies.'';

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking ''brightfield'' and inserting ''renewable energy''; and

(B) in paragraph (1), by striking ''solar energy technologies'' and inserting ''renewable energy technologies, including, but not limited to, solar, wind, and geothermal technologies''; and

(3) in subsection (d), by striking ''2004 through 2008'' and inserting ''2011 through 2015''.

SEC. 12. ENERGY EFFICIENCY AND ECONOMIC DEVELOPMENT.

(a) AMENDMENT.—Title II of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141 et seq.) is amended by adding at the end the following:

''SEC. 219. ENERGY EFFICIENCY AND ECONOMIC DEVELOPMENT.

''In administering programs under this Act, the Secretary shall support activities that employ economic development practices that—

''(1) enhance energy and water efficiency; and

''(2) reduce the dependence of the United States on foreign oil.''.

(b) TECHNICAL AMENDMENT.—The table of contents of the Public Works and Economic Development Act of

1965 (42 U.S.C. 3121 et seq.) is amended by adding after section 218 the following:

''Sec. 219. Energy efficiency and economic development.''.

SEC. 13. COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES IMPROVEMENTS.

Section 302 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3162) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting ''and opportunities'' after ''problems'';

(B) in paragraph (2), by striking ''and private'' and inserting '', private, and nonprofit''; and

(C) in paragraph (3)—

(i) in subparagraph (A)—

(I) by inserting ''and opportunities'' after ''economic problems'';

(II) by striking ''promotes the use'' and inserting ''promotes the effective use''; and

(III) by striking ''balances'' and inserting ''optimizes''; and

(ii) in subparagraph (B), by inserting ''and take advantage of the opportunities'' before the period at the end; and

(2) in subsection (c)(1), by inserting ‘‘, State, or locally’’ after ‘‘federally’’.

SEC. 14. DESIGNATION OF ECONOMIC DEVELOPMENT DISTRICTS.

Section 401 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3171) is amended by adding at the end the following:

‘‘(c) OPERATIONS.—

‘‘(1) IN GENERAL.—Each economic development district shall engage in the full range of economic development activities included in the list contained in the comprehensive economic development strategy of the economic development district that has been approved by the Economic Development Administration, including—

‘‘(A) coordinating and implementing economic development activities in the economic development district;

‘‘(B) carrying out economic development research, planning, implementation, and advisory functions identified in the comprehensive economic development strategy; and

‘‘(C) coordinating the development and implementation of the comprehensive economic de-

velopment strategy with other Federal, State, local, and private organizations.

''(2) CONTRACTS.—An economic development district may elect to enter into contracts for services to accomplish the activities described in paragraph (1).''.

SEC. 15. CONSULTATION WITH OTHER PERSONS AND AGENCIES.

Section 503(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3193(a)) is amended by inserting '', outmigration,'' after ''regional unemployment''.

SEC. 16. NOTIFICATION OF REORGANIZATION.

Section 507 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3197) is amended—

(1) by striking ''Not later than'' and inserting the following:

''(a) NOTIFICATION.—Not later than''; and

(2) by adding at the end the following:

''(b) STATE OF MONTANA.—The State of Montana shall be served by the Seattle office of the Economic Development Administration.''.

SEC. 17. ADMINISTRATIVE EXPENSES.

Section 604(c)(2) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3214(c)(2)) is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following:

''(B) may be used for administrative expenses incident to the projects associated with the transfers to the extent that the expenses do not exceed—

''(i) 3 percent, in the case of projects not involving construction; and

''(ii) 5 percent, in the case of projects involving construction; and''.

SEC. 18. MAINTENANCE OF EFFORT.

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

''SEC. 613. MAINTENANCE OF EFFORT.

''(a) EXPECTED PERIOD OF BEST EFFORTS.—

''(1) ESTABLISHMENT.—To carry out the purposes of this Act, before providing investment assist-

ance for a construction project under this Act, the Secretary shall establish the expected period during which the recipient of the assistance shall make best efforts to achieve the economic development objectives of the assistance.

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

''(A) any property that is acquired or improved, in whole or in part, using investment assistance under this Act shall be held in trust by the recipient for the benefit of the project; and

''(B) the Secretary shall retain an undivided equitable reversionary interest in the property.

''(3) TERMINATION OF FEDERAL INTEREST.—

''(A) IN GENERAL.—Beginning on the date on which the Secretary determines that a recipient has fulfilled the obligations of the recipient for the applicable period under paragraph (1), taking into consideration the economic conditions existing during that period, the Secretary may terminate the reversionary interest of the

Secretary in any applicable property under paragraph (2)(B).

''(B) ALTERNATIVE METHOD OF TERMINATION.—

''(i) IN GENERAL.—On a determination by a recipient that the economic development needs of the recipient have changed during the period beginning on the date on which investment assistance for a construction project is provided under this Act and ending on the expiration of the expected period established for the project under paragraph (1), the recipient may submit to the Secretary a request to terminate the reversionary interest of the Secretary in property of the project under paragraph (2)(B) before the date described in subparagraph (A).

''(ii) APPROVAL.—The Secretary may approve a request of a recipient under clause (i) if—

''(I) in any case in which the request is submitted during the 10-year period beginning on the date on which assistance is initially provided under

this Act for the applicable project, the recipient repays to the Secretary an amount equal to 100 percent of the fair market value of the pro rata Federal share of the project; or

"(II) in any case in which the request is submitted after the expiration of the 10-year period described in subclause (I), the recipient repays to the Secretary an amount equal to the fair market value of the pro rata Federal share of the project as if that value had been amortized over the period established under paragraph (1), based on a straight-line depreciation of the project throughout the estimated useful life of the project.

"(b) TERMS AND CONDITIONS.—The Secretary may establish such terms and conditions under this section as the Secretary determines to be appropriate, including by extending the period of a reversionary interest of the Secretary under subsection (a)(2)(B) in any case in which the Secretary determines that the performance of a recipient is unsatisfactory.

''(c) PREVIOUSLY EXTENDED ASSISTANCE.—With respect to any recipient to which the term of provision of assistance was extended under this Act before the date of enactment of this section, the Secretary may approve a request of the recipient under subsection (a) in accordance with the requirements of this section to ensure uniform administration of this Act, notwithstanding any estimated useful life period that otherwise relates to the assistance.

''(d) CONVERSION OF USE.—If a recipient of assistance under this Act demonstrates to the Secretary that the intended use of the project for which assistance was provided under this Act no longer represents the best use of the property used for the project, the Secretary may approve a request by the recipient to convert the property to a different use for the remainder of the term of the Federal interest in the property, subject to the condition that the new use shall be consistent with the purposes of this Act.

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

SEC. 19. EXTENSION OF AUTHORIZATION OF APPROPRIATIONS.

Section 701(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3231(a)) is amended by striking ''expended—'' and all that follows through paragraph (5) and inserting ''expended, $500,000,000 for each of fiscal years 2011 through 2015.''.

SEC. 20. FUNDING FOR GRANTS FOR PLANNING AND GRANTS FOR ADMINISTRATIVE EXPENSES.

Section 704 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3234) is amended to read as follows:

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

''(a) IN GENERAL.—Subject to subsection (b), of the amounts made available under section 701 for each fiscal year, there shall be made available to provide grants under section 203 an amount equal to not less than the lesser of—

''(1) 12 percent; and

''(2) $31,000,000.

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

''(1) if the total amount made available under section 701(a) for the fiscal year is equal to or

greater than $291,000,000, an amount equal to the greater of—

"(A) $32,000,000; and

"(B) 11 percent of the total amount made available under section 701(a) for the fiscal year;

"(2) if the total amount made available under section 701(a) for the fiscal year is equal to or greater than $330,000,000, an amount equal to the greater of—

"(A) $33,000,000; and

"(B) 10 percent of the total amount made available under section 701(a) for the fiscal year;

"(3) if the total amount made available under section 701(a) for the fiscal year is equal to or greater than $340,000,000, an amount equal to the greater of—

"(A) $34,000,000; and

"(B) 10 percent of the total amount made available under section 701(a) for the fiscal year; or

"(4) if the total amount made available under section 701(a) for the fiscal year is equal to or

greater than $350,000,000, an amount equal to the greater of—

"(A) $35,000,000; and

"(B) 10 percent of the total amount made available under section 701(a) for the fiscal year.".