

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**  
**H.R. 5897, THE “ECONOMIC REVITALIZATION AND INNOVATION ACT OF 2010”**  
**INTRODUCED BY THE HONORABLE JAMES L. OBERSTAR,**  
**THE HONORABLE ELEANOR HOLMES NORTON, AND OTHER MEMBERS OF THE COMMITTEE**  
*July 28, 2010*

**AUTHORIZED FUNDING LEVELS AND JOB CREATION GOALS**

- **Authorized Funding Levels:** H.R. 5897, the “Economic Revitalization and Innovation Act of 2010”, provides \$500 million for Economic Development Administration (EDA) investments for each of fiscal years (FY) 2011 through FY 2015, for a total authorization of **\$2.5 billion**. This annual investment level is equal to the FY 2008 authorization level, but represents a significant increase over current appropriations levels.

Specifically, the bill authorizes:

- **\$2.225 billion** for economic development investments, including public works and economic adjustment grants;
  - **\$180 million** for planning grants to Economic Development Districts (EDDs);
  - **\$50 million** for university centers in States (including D.C.) without such centers; and
  - **such sums as necessary** for EDA administrative expenses.
- **Job Creation Goals:** Requires that recipients of EDA assistance establish job creation goals as a condition of receipt of EDA assistance, and penalizes recipients for failure to satisfy job creation goals.

**EXPANDED SUPPORT FOR BUSINESS INCUBATORS AND SCIENCE AND RESEARCH PARKS**

- **Loan Guarantee Funding:** Provides a total of \$500 million in loan guarantees (i.e., a guarantee of non-Federal financing) to enable EDA to provide loan guarantees for the construction and development of business incubators and science and research parks.
- **Construction Funding:** Continues funding for the construction or expansion of business incubators and science and research park facilities under EDA’s public works grant program (requiring matching funds).
- **Operations Funding:** Clarifies EDA’s ability to provide business incubator operating support.

## HIGH-SPEED RAIL ECONOMIC DEVELOPMENT AND SUSTAINABLE ECONOMIC DEVELOPMENT

- **High-speed Rail Economic Development:** Requires EDA to coordinate and evaluate opportunities (including studies and reports) related to high-speed rail projects in conjunction with its local economic development partners and the Department of Transportation. In addition, the bill directs university centers to conduct research and provide technical assistance to communities with respect to the economic development opportunities related to high-speed rail projects. Provides \$500,000 per year to EDDs for high-speed rail economic development planning.
  
- **Sustainable Economic Development:** Creates a new program for investment (\$25 million annually) in projects focused on economic development and job creation connected to alternative energy technologies (photovoltaic, wind, and geothermal), including assistance to communities for business attraction or retention and alternative energy focused job training analyses.

## “ON-SHORING” OF JOBS TO THE UNITED STATES AND INCENTIVES TO ENCOURAGE PRIVATE SECTOR INVESTMENT IN TECHNOLOGY AND MANUFACTURING COMPANIES

- **On-Shoring Incentive:** Establishes three separate programs to allow or provide preference for EDA investment assistance to projects that locate or relocate technology and manufacturing companies to the United States, including:
  - **Incubator Loan Guarantee Program** to provide assistance to a facility that will house technology or manufacturing companies locating or relocating to the United States;
  - **Sustainable Economic Development Program** to provide assistance to support the efforts of communities to attract technology and manufacturing businesses locating or relocating to the United States; and
  - **Equity Financing Program** to establish preference for a Revolving Loan Fund (RLF) equity investment for technology and manufacturing companies that locate or relocate to the United States.
  
- **Equity Financing:** Creates a new program that allows EDA’s current RLF program to be used to fund investment (up to \$250,000 per company) in exchange for equity. This program will leverage the network of existing RLF third-party, non-profit intermediaries to administer the program. Provides preference to incubator companies, companies commercializing technology at science and research parks, and technology or manufacturing companies locating or relocating to the United States.

### FLEXIBILITY IN ECONOMIC DEVELOPMENT FUNDING OF PROJECTS

- **Revolving Loan Funds and Construction Projects:** Provides EDA grant recipients with authority (pursuant to EDA approval) to redirect funds for new projects that meet EDA criteria.
  
- **BRAC- and Department of Defense-Impacted Communities:** Authorizes EDA to consider “mission growth” of Defense Base Closure and Realignment (BRAC) or Department of Defense-impacted communities as a criterion for assistance, and allows EDA to consider economic opportunities and not simply economic injury as a basis for assistance to these communities.
  
- **Declining Tax Revenue Communities:** Authorizes EDA to consider communities’ declining tax revenues as the basis for increased Federal share of project costs or an eligibility determination, such as substantial home foreclosure rates creating economic conditions allowing grant assistance to particular communities or regions.

### DEFINED ROLE FOR ECONOMIC DEVELOPMENT DISTRICTS AND INCENTIVES FOR REGIONAL PLANNING

- **Role of EDDs:** Clearly defines the responsibilities of an EDD in statute to ensure that local communities have an established role in developing economic development projects.
  
- **Multi-Regional Planning and Incentives:** Allows EDDs to consolidate without the current penalty of reduced EDD funding.