

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."*

**Statement of Purpose and Need
and
Section-by-Section Analysis**

The Economic Development Administration Reauthorization Act of 2008 proposes to extend the authorization for appropriations under the Public Works and Economic Development Act through fiscal year 2013. Under current law, the authorization expires September 30, 2008. In addition, the legislative proposal would make a number of technical changes:

- **Amendments Related to Increased Recipient Flexibility over Project Assets.**

Since 1981, EDA has funded more than 7,000 construction projects valued in excess of \$6.4 billion. In addition, EDA has funded 584 Revolving Loan Fund (RLF) projects during three decades of the RLF program. EDA retains fiduciary responsibilities regarding the project property that was supported by the investment assistance. For some of the older public works investments, the estimated useful life of the project is as much as 40 years. Revolving loan funds exist in theoretic perpetuity as long as borrowers repay the loans and the RLF operator makes new loans from the proceeds of those repayments.

EDA seeks to increase recipient flexibility, control and autonomy to deal with project assets in light of current economic development needs, while at the same time streamlining EDA's management of the portfolio of approved projects. One way to deal with the RLF program is to give current operators an incentive to put a time limit on the perpetual nature of the RLF operations by allowing them to "convert" RLF assets to other uses consistent with the Act that have finite project periods. Another way to address the issue with respect to the portfolio of construction project investments is to authorize the Secretary to establish a reasonable time period for the expected "economic development" life of investment assistance. EDA would be authorized to extinguish the reversionary federal interest in project property at the end of the designated period provided that a recipient maintains its effort to carry out the economic development purposes of the project to the end of that period. Under current requirements, if a recipient determines that a piece of property used in connection with EDA financial assistance could be better put to a different use in light of current community needs, the recipient must first repay EDA in full for the fair market value of the EDA investment. Full repayment is required even if there is only a small portion of time remaining on the original estimated useful life of the project (for example, two years remaining on an estimated useful life of 20 years). This legislative proposal would increase recipient flexibility in such situations by allowing EDA to approve a recipient's request to convert the use of the project to a different purpose for the remaining two years of the estimated useful life provided that such use is also consistent with the purposes of the Act. In the alternative, the proposal would allow the recipient to pay the "amortized" value of the remaining useful life to extinguish the remaining federal interest. For example, if the estimated useful life of a structure is 20 years and a recipient seeks to extinguish the federal interest in the property in year 15 to allow the property to be used in a way not consistent with the intent of the original investment, this new authority would enable EDA to value its interest in light of

the age of its investment—if five years remain on a 20-year useful life, the “amortized” value of the EDA interest would be 25%). The proposal would authorize use of this authority only after 10 years of successful operation in order to ensure that project property is devoted to the purposes of the investment (EDA measures program performance at the third, sixth and ninth anniversary of a project).

- **Excellence in Economic Development Assistance Awards.**

The proposal provides an express statutory basis for the Excellence in Economic Development Assistance Awards program.

Sectional Analysis

Section 1. Short Title. This section specifies that the Act may be cited as the “Economic Development Administration Reauthorization Act of 2008.”

Section 2. Extension of Authorization of Appropriations. This section provides a five-year extension of the authorization for appropriations for the economic development assistance programs. The authorization for FY 2009 is consistent with the President’s budget request and the authorization for FYs 2010-2013 is at the “such sums as necessary” level to provide flexibility to meet future needs.

Section 3. Enhancement of Recipient Flexibility to Deal with Project Assets. Subsection (a) of this section provides additional authority to EDA under section 209 of the Public Works and Economic Development Act to approve a recipient’s request to convert project assets held in connection with a revolving loan fund (RLF) project to a different use when the recipient determines project assets could be better used elsewhere. Such conversion could be accomplished by either selling loan paper held by the RLF operator to a third party or by accumulating capital over time by retaining loan repayment proceeds as a set aside. In each case, the recipient would need to identify another use for the proceeds that is consistent with the purposes of the Act. Inasmuch as the assets being converted are already under the recipient’s control, the provision relating to distress criteria under section 301 would not apply. The Secretary would be authorized to establish such terms and conditions as necessary, including terms and conditions needed to ensure that any such proceeds are used in an expeditious manner. In addition, the legislative proposal includes a new paragraph (d)(6) to section 209 of the Act to specify that up to two percent of amounts appropriated annually for section 209 may be used to support program management. This proposal provides a designated source of funding to administer the RLF program for the first time. As the RLF program portfolio consists of 584 reporting units with assets valued at almost \$850 million, it is important that EDA have access to funds that are dedicated to RLF program administration.

Subsection (b) of this section expands recipient flexibility with respect to project assets under EDA’s construction programs under sections 201 and 209 of the Act by

adding a new section 613 to the Act. Subsection (a) of new section 613 specifies that the purpose behind EDA's retention of a reversionary interest in project property is to ensure that the recipient maintains its effort for an appropriate period of time to carry out the project as intended in order to create the higher skill, higher wage jobs that EDA's investment assistance is designed to foster. At the conclusion of that period, EDA can then terminate its interest and the recipient is then free to make use of the property in accord with its current needs.

Subsection 613(b) provides new flexibility for EDA to approve a recipient's request to extinguish the federal reversionary interest by repaying EDA for its share of the project. This new flexibility would allow EDA to take into account the "age" of a project in determining what the fair market value of the federal share when a recipient wants to remove the federal interest in order to use the project property for some other purpose that would not otherwise be consistent with the intent of the original EDA investment (for example, conversion from bio-technology parks to general educational facilities). Under the terms of the new authority, the recipient would be required to repay the entire pro rata federal share during the first ten years of the project, but thereafter, the federal interest would be amortized in accord with the remaining estimated useful life of the project. This provision is an offshoot of authority provided to the Department of Housing and Urban Development under its supportive housing program under the McKinney-Vento Homeless Assistance Act (*see* section 423(c)(1), 42 U.S.C. § 11383(c)(1)).

Subsection 613(c) provides that the authority provided under this section is in addition to any other authority the Secretary has under current law and empowers the Secretary to attach such terms and conditions as appropriate in exercising the authority, including extending the period of federal interest in the event a recipient fails to maintain its effort in connection with a project.

Subsection 613(d) clarifies that the new authority of this section also extends to projects previously assisted under the Act.

Section 4. Economic Development Partnerships. Section 5 provides express authority under section 101 of the Act for the conduct of EDA's Excellence in Economic Development Awards program that recognizes innovative economic development strategies of national significance. Eligible nominees for the awards include nonprofit organizations, local, state, and regional governments, and universities and colleges. In addition, new subsection (e) of section 101 would enable EDA to use up to \$2,000 per fiscal year to purchase suitable plaques or bowls to commemorate the organizations' achievements.

**The Economic Development Administration
Reauthorization Act of 2008
Public Works and Economic Development Act --
Text as Amended**

[New text *bold italics*; Stricken text in ~~strikethrough~~ mode]

* * * * *

**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 economic development strategies that sustain and promote economic 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. In order to recognize innovative economic development strategies of national significance, the Secretary may conduct an "Excellence in Economic Development Award" program. Organizations eligible for recognition are any entities eligible to be a recipient under section 3 of this Act, except for-profit firms and institutions. The Secretary shall make an award after soliciting nominations publicly and in accordance with the selection and evaluation procedures set out in such public solicitation. Award categories may include, but are not limited to, recognition for excellence in –

- (1) urban or suburban economic development;*
- (2) rural economic development;*
- (3) environmental or energy economic development;*
- (4) economic diversification strategies that respond to economic dislocations, including economic dislocations caused by natural disasters and military base realignment and closure actions;*
- (5) university-led strategies to enhance economic development;*
- (6) community and faith-based social entrepreneurship;*
- (7) historic preservation-led strategies to enhance economic development; and*
- (8) such other areas as the Secretary deems appropriate.*

The Secretary may provide each organization selected for an award with a plaque, bowl or similar artifact to commemorate the organization's accomplishment. In addition, the Secretary may use funds appropriated pursuant to this Act for such commemorative purposes provided that the total expenditures do not exceed \$2,000 in any fiscal year.

* * * * *

TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

* * * * *

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, public services, business development

(including funding of a revolving loan fund), 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 injured by—

- (1) military base closures or realignments, defense contractor reductions in force, or Department of Energy defense-related funding reductions, for help in diversifying their economies 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) 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

(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.

(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 or determines that it could make better use of such funds in light of its current economic development needs if they were made available for other projects that meet the requirements of this Act, the recipient may request the Secretary to approve the conversion of those funds.

(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.

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

* * * * *

TITLE VI- MISCELLANEOUS

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 Economic Development Administration Reauthorization Act of 2008, 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, *\$100,000,000 for the period beginning October 1, 2008, and ending September 30, 2009, and such sums as may be necessary for the period beginning October 1, 2009, and ending September 30, 2013.* [—

- (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, *\$32,800,000 for the period beginning October 1, 2008, and ending September 30, 2009* [—

- (1) ~~\$33,377,000 for fiscal year 2004; and~~
- (2) such sums as may be necessary for each fiscal year thereafter.