

111TH CONGRESS
1ST SESSION

S. 583

To provide grants and loan guarantees for the development and construction of science parks to promote the clustering of innovation through high technology activities.

IN THE SENATE OF THE UNITED STATES

MARCH 12, 2009

Mr. PRYOR (for himself, Ms. SNOWE, Mr. JOHNSON, Mr. ALEXANDER, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To provide grants and loan guarantees for the development and construction of science parks to promote the clustering of innovation through high technology activities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Building a Stronger
5 America Act”.

6 **SEC. 2. DEVELOPMENT OF SCIENCE PARKS.**

7 (a) FINDING.—Section 2 of the Stevenson-Wydler
8 Technology Innovation Act of 1980 (15 U.S.C. 3701) is
9 amended by adding at the end the following:

1 “(12) It is in the best interests of the Nation
2 to encourage the formation of science parks to pro-
3 mote the clustering of innovation through high tech-
4 nology activities.”.

5 (b) DEFINITION.—Section 4 of such Act (15 U.S.C.
6 3703) is amended by adding at the end the following:

7 “(12) ‘Business or industrial park’ means a pri-
8 marily for-profit real estate venture of businesses or
9 industries which do not necessarily reinforce each
10 other through supply chain or technology transfer
11 mechanisms.

12 “(13) ‘Science park’—

13 “(A) means a group of interrelated compa-
14 nies and institutions, including suppliers, serv-
15 ice providers, institutions of higher education,
16 start-up incubators, and trade associations
17 that—

18 “(i) cooperate and compete with each
19 other; and

20 “(ii) are located in a specific area or
21 region that promotes real estate develop-
22 ment, technology transfer, and partner-
23 ships between such companies and institu-
24 tions;

1 “(B) includes a science park, research
2 park, technology park, research and develop-
3 ment park, research and technology park, and
4 science and technology park; and

5 “(C) does not include a business or indus-
6 trial park.

7 “(14) ‘Science park infrastructure’ means facili-
8 ties that support the daily economic activity of a
9 science park.”.

10 (c) SCIENCE PARKS.—The Stevenson-Wydler Tech-
11 nology Innovation Act of 1980 (15 U.S.C. 3701 et seq.)
12 is amended by adding at the end the following:

13 **“SEC. 24. SCIENCE PARKS.**

14 “(a) DEVELOPMENT OF PLANS FOR CONSTRUCTION
15 OF SCIENCE PARKS.—

16 “(1) IN GENERAL.—The Secretary shall award
17 grants for the development of feasibility studies and
18 plans for the construction of new science parks or
19 the expansion of existing science parks.

20 “(2) LIMITATION ON AMOUNT OF GRANTS.—
21 The amount of a grant awarded under this sub-
22 section may not exceed \$750,000.

23 “(3) AWARD.—

1 “(A) COMPETITION REQUIRED.—The Sec-
2 retary shall award grants under this subsection
3 pursuant to a full and open competition.

4 “(B) GEOGRAPHIC DISPERSION.—The Sec-
5 retary is encouraged to divide the grants award-
6 ed under this subsection among low-,
7 medium-, and high-population density States.

8 “(C) ADVERTISING.—The Secretary shall
9 advertise any competition under this paragraph
10 in the Commerce Business Daily.

11 “(D) SELECTION CRITERIA.—The Sec-
12 retary shall publish the criteria to be utilized in
13 any competition under this paragraph for the
14 selection of recipients of grants under this sub-
15 section, which shall include requirements relat-
16 ing to—

17 “(i) the number of jobs to be created
18 at the science park each year during its
19 first 5 years;

20 “(ii) the funding to be required to
21 construct or expand the science park dur-
22 ing its first 5 years;

23 “(iii) the amount and type of cost
24 matching by the applicant;

1 “(iv) the types of businesses and re-
2 search entities expected in the science park
3 and surrounding community;

4 “(v) letters of intent by businesses
5 and research entities to locate in the
6 science park;

7 “(vi) the expansion capacity of the
8 science park during a 25-year period;

9 “(vii) the quality of life at the science
10 park for employees at the science park;

11 “(viii) the capability to attract a well
12 trained workforce to the science park;

13 “(ix) the management of the science
14 park;

15 “(x) expected risks in the construction
16 and operation of the science park;

17 “(xi) risk mitigation;

18 “(xii) transportation and logistics;

19 “(xiii) physical infrastructure, includ-
20 ing telecommunications; and

21 “(xiv) ability to collaborate with other
22 science parks throughout the world.

23 “(4) AUTHORIZATION OF APPROPRIATIONS.—

24 There are authorized to be appropriated \$7,500,000

1 for each of the fiscal years 2010 through 2014 to
2 carry out this subsection.

3 “(b) LOAN GUARANTEES FOR SCIENCE PARK INFRA-
4 STRUCTURE.—

5 “(1) IN GENERAL.—Subject to paragraph (2),
6 the Secretary may guarantee up to 80 percent of the
7 loan amount for loans exceeding \$10,000,000 for
8 projects for the construction of science park infra-
9 structure.

10 “(2) LIMITATIONS ON GUARANTEE AMOUNTS.—
11 The maximum amount of loan principal guaranteed
12 under this subsection may not exceed—

13 “(A) \$50,000,000 with respect to any sin-
14 gle project; and

15 “(B) \$500,000,000 with respect to all
16 projects.

17 “(3) SELECTION OF GUARANTEE RECIPI-
18 ENTS.—The Secretary shall select recipients of loan
19 guarantees under this subsection based upon the
20 ability of the recipient to collateralize the loan
21 amount through bonds, equity, property, and other
22 such criteria as the Secretary shall prescribe. Enti-
23 ties receiving a grant under subsection (a) are not
24 eligible for a loan guarantee during the period of
25 such grant.

1 “(4) TERMS AND CONDITIONS FOR LOAN GUAR-
2 ANTEES.—The loans guaranteed under this sub-
3 section shall be subject to such terms and conditions
4 as the Secretary may prescribe, except that—

5 “(A) the final maturity of such loans made
6 or guaranteed may not exceed the lesser of—

7 “(i) 30 years and 32 days; or

8 “(ii) 90 percent of the useful life of
9 any physical asset to be financed by such
10 loan;

11 “(B) a loan made or guaranteed under this
12 subsection may not be subordinated to another
13 debt contracted by the borrower or to any other
14 claims against the borrowers in the case of de-
15 fault;

16 “(C) a loan may not be guaranteed under
17 this subsection unless the Secretary determines
18 that the lender is responsible and that adequate
19 provision is made for servicing the loan on rea-
20 sonable terms and protecting the financial in-
21 terest of the United States;

22 “(D) a loan may not be guaranteed under
23 this subsection if—

24 “(i) the income from such loan is ex-
25 cluded from gross income for purposes of

1 chapter 1 of the Internal Revenue Code of
2 1986; or

3 “(ii) the guarantee provides signifi-
4 cant collateral or security, as determined
5 by the Secretary, for other obligations the
6 income from which is so excluded;

7 “(E) any guarantee provided under this
8 subsection shall be conclusive evidence that—

9 “(i) the guarantee has been properly
10 obtained;

11 “(ii) the underlying loan qualified for
12 such guarantee; and

13 “(iii) absent fraud or material mis-
14 representation by the holder, the guarantee
15 is presumed to be valid, legal, and enforce-
16 able;

17 “(F) the Secretary shall prescribe explicit
18 standards for use in periodically assessing the
19 credit risk of new and existing direct loans or
20 guaranteed loans;

21 “(G) the Secretary may not extend credit
22 assistance unless the Secretary has determined
23 that there is a reasonable assurance of repay-
24 ment; and

1 “(H) new loan guarantees may not be com-
2 mitted except to the extent that appropriations
3 of budget authority to cover their costs are
4 made in advance, as required under section 504
5 of the Federal Credit Reform Act of 1990 (2
6 U.S.C. 661c).

7 “(5) PAYMENT OF LOSSES.—

8 “(A) IN GENERAL.—If, as a result of a de-
9 fault by a borrower under a loan guaranteed
10 under this subsection, after the holder has
11 made such further collection efforts and insti-
12 tuted such enforcement proceedings as the Sec-
13 retary may require, the Secretary determines
14 that the holder has suffered a loss, the Sec-
15 retary shall pay to such holder the percentage
16 of such loss specified in the guarantee contract.
17 Upon making any such payment, the Secretary
18 shall be subrogated to all the rights of the re-
19 cipient of the payment. The Secretary shall be
20 entitled to recover from the borrower the
21 amount of any payments made pursuant to any
22 guarantee entered into under this section.

23 “(B) ENFORCEMENT OF RIGHTS.—The At-
24 torney General shall take such action as may be
25 appropriate to enforce any right accruing to the

1 United States as a result of the issuance of any
2 guarantee under this section.

3 “(C) FORBEARANCE.—Nothing in this sec-
4 tion may be construed to preclude any forbear-
5 ance for the benefit of the borrower which may
6 be agreed upon by the parties to the guaranteed
7 loan and approved by the Secretary, if budget
8 authority for any resulting subsidy costs (as de-
9 fined in section 502(5) of the Federal Credit
10 Reform Act of 1990) is available.

11 “(D) MANAGEMENT OF PROPERTY.—Not-
12 withstanding any other provision of law relating
13 to the acquisition, handling, or disposal of prop-
14 erty by the United States, the Secretary may
15 complete, recondition, reconstruct, renovate, re-
16 pair, maintain, operate, or sell any property ac-
17 quired by the Secretary pursuant to this sec-
18 tion.

19 “(6) REVIEW.—Not later than 2 years after the
20 date of the enactment of this section, the Comp-
21 troller General of the United States shall—

22 “(A) conduct a review of the subsidy esti-
23 mates for the loan guarantees under this sub-
24 section; and

1 “(B) submit to Congress a report on the
2 review conducted under this paragraph.

3 “(7) TERMINATION.—A loan may not be guar-
4 anteed under this subsection after September 30,
5 2014.

6 “(8) AUTHORIZATION OF APPROPRIATIONS.—
7 There are authorized to be appropriated—

8 “(A) \$35,000,000 for the cost (as defined
9 in section 502(5) of the Federal Credit Reform
10 Act of 1990) of guaranteeing \$500,000,000 in
11 loans under this subsection;

12 “(B) \$6,000,000 for administrative ex-
13 penses for fiscal year 2010; and

14 “(C) such sums as may be necessary for
15 administrative expenses in fiscal year 2011 and
16 thereafter.

17 “(c) NATIONAL ACADEMY OF SCIENCES EVALUA-
18 TION.—

19 “(1) IN GENERAL.—The Secretary shall enter
20 into an agreement with the National Academy of
21 Sciences under which the Academy shall conduct,
22 every 3 years, an evaluation of the activities under
23 this section.

1 “(2) TRI-ANNUAL REPORT.—Under the agree-
2 ment described in paragraph (1), the Academy shall
3 submit a report to the Secretary that—

4 “(A) includes the Academy’s evaluation of
5 science park development under this section;
6 and

7 “(B) may include such recommendations
8 as the Academy considers appropriate for addi-
9 tional activities to promote and facilitate the de-
10 velopment of science parks in the United
11 States.

12 “(d) TRI-ANNUAL REPORT.—Not later than March
13 31, 2013, and every third year thereafter, the Secretary
14 shall submit a report to Congress that—

15 “(1) describes the activities under this section
16 during the preceding 3 years;

17 “(2) includes any recommendations made by
18 the National Academy of Sciences under subsection
19 (c)(2)(B) during such period; and

20 “(3) may include such recommendations for leg-
21 islative or administrative action as the Secretary
22 considers appropriate to further promote and facili-
23 tate the development of science parks in the United
24 States.

1 “(e) RULEMAKING.—Not later than 1 year after the
2 date of the enactment of this section, the Secretary shall
3 promulgate regulations to carry out this section in accord-
4 ance with Office of Management and Budget Circular A-
5 129, entitled ‘Policies for Federal Credit Programs and
6 Non-Tax Receivables’.”.

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