

submitted, as appropriate, to substantiate eligibility based on "special need" (see part XV of this notice). Project areas must be eligible on the date of receipt of the application. In the case of any application received by EDA more than six months prior to the time of award, EDA will reevaluate the project to determine that the area remains eligible for EDA assistance before making the award. EDA will reject any documentation of eligibility that it determines is inaccurate and the application may be rejected.

V. General Policies

EDA encourages only those investment proposals that will significantly benefit areas experiencing or threatened with substantial economic distress. Distress may exist in a variety of forms, including, but not limited to: high levels of unemployment, low income levels, large concentrations of low-income families, significant declines in per capita income, substantial loss of population because of the lack of employment opportunities, large numbers (or high rates) of business failures, sudden major layoffs or plant closures, military base closures, natural or other major disasters, depletion of natural resources, or reduced tax bases.

Communities affected by the 1988, 1991, 1993, or 1995 Base Realignment and Closure (BRAC) actions, and which qualify for either regular Public Works or regular Economic Adjustment funding, may apply for investments under one or both of those programs. EDA anticipates that construction proposals will seek funding from the regular Public Works program while credit enhancement or other innovative financing proposals will compete under the regular Economic Adjustment authority.

Potential applicants are responsible for demonstrating to EDA, by providing statistics and other appropriate information, the nature and level of the distress their project efforts are intended to alleviate. EDA provides funding for eligible investment activities through direct grants and cooperative agreements. In funding cooperative agreements, a common example of substantial involvement is collaboration between EDA program staff and the recipient of a conference planning award to select a conference site, develop the agenda, and choose presenters, or to review a research project's methodology at critical stages and the draft written report.

EDA is not authorized to provide grants directly to individuals or to other for-profit entities seeking to start or expand a business. Such requests may

be referred to state or local agencies, or to non-profit economic development organizations serving the project area.

VI. Evaluation and Selection Process

To apply for an award under this notice, an eligible recipient must submit a pre-application proposal to the appropriate Economic Development Representative for the area or regional office. Each pre-application proposal is circulated by a project officer to the appropriate regional office staff for review, comments, and recommendations. When the necessary input and information are obtained, the pre-application proposal is considered by the regional office Investment Review Committee (IRC) made up of regional office staff. The IRC discusses the proposal and all pertinent documentation and evaluates it using the general evaluation criteria set forth at 13 CFR 304.1 and 304.2 as further defined by the Supplemental Evaluation Criteria set forth in this notice below, and the program specific criteria provided under 13 CFR 305.2 for Public Works, 13 CFR 306.2 for Planning Assistance, 13 CFR 307.2 for Technical Assistance, 13 CFR 307.6 for University Centers, 13 CFR 307.10 for National Technical Assistance, Training, Research, and Evaluation, and 13 CFR 308.2 and 308.4 for Economic Adjustment. University Center funding proposals will be evaluated using the Special Evaluation Criteria set forth in part X in lieu of the Supplemental Evaluation Criteria set forth below. In addition, each proposal is evaluated for consistency with the Funding Priorities set forth below. After completing its evaluation, the IRC recommends whether or not an application should be invited, documenting its recommendation in the meeting minutes or in the Investment Proposal Summary and Evaluation Form. The IRC action is reviewed at headquarters for quality assurance. After receiving quality control clearance, the Selecting Official (depending on the program, either the Regional Director or the Assistant Secretary) selects the applications to be invited. In the case of a continuation grant, no pre-application proposal is required. Proposals received after the date of this notice will be processed in accordance with the requirements set forth herein until the next annual NOFA is published.

Supplemental Evaluation Criteria

EDA will invest in applicants who are entrepreneurial in spirit and in action. Potential investments will be analyzed using the following seven supplemental evaluation criteria of approximate equal

weight, which further define the criteria provided at 13 CFR 304.2:

1. Extent that proposed investments are market-based.
2. Extent that proposed investments are pro-active in nature and scope.
3. Extent that proposed investments look beyond the immediate economic horizon, anticipate economic changes, and diversify the local and regional economy.
4. Likelihood that proposed investments maximize the attraction of private sector investment and would not otherwise come to fruition absent EDA's investment.
5. Likelihood that proposed investments have a high probability of success.
6. Likelihood that proposed investments result in an environment where higher-skill, higher-wage jobs are created.
7. Likelihood that proposed investments maximize Return on Taxpayer Investment.

Funding Priorities

The Selecting Official considers the evaluations provided by the IRC and the degree to which one or more of the following funding priorities are included (or packaged together) in making his/her decisions as to which preapplication proposals should be invited. Highly rated preapplication proposals may or may not be invited to submit full applications based on the following funding priorities. Generally, all proposals should enhance regional competitiveness and support long-term development of the regional economy. Further priority will be given to proposals that:

1. Encourage innovation and regional competitiveness:
 - a. Reflect coordination of strong regional leadership committed to regional cluster development;
 - b. Encourage a formal organization structure and process for working on cluster development and maintaining consensus;
 - c. Encourage a common vision and collaboration among firms, universities, and training centers to implement a cluster strategy;
 - d. Establish research and industrial parks that encourage innovation-based competition;
 - e. Implement cluster-focused and innovation-focused business development efforts; and
 - f. Develop or implement coordinated economic and workforce development strategies.
2. Upgrade core business infrastructure such as:
 - a. Transportation infrastructure;