

**§ 302.9 Benefits.**

(a) Designation of an economic development district within which the economic development center (EDC) is located is a prerequisite to EDA providing financial assistance to an EDC.

(b) Projects in redevelopment areas which are located within designated economic development districts and which actively participate in the economic development district's OEDP planning process are eligible for 10 percent bonus grants, if the project is consistent with a currently approved district OEDP.

**Subpart B—Standards for Designation, Modification, and Termination of Economic Development Centers****§ 302.10 General standards for designation of economic development centers.**

EDA may designate an economic development center if such proposed center:

- (a) Has been identified and included in an approved district OEDP;
- (b) Is recommended by the State or States affected. Written concurrence from the State must be received by EDA;
- (c) Is geographically and economically so related to the economic development district that the economic development center's economic growth may be expected to contribute significantly to the alleviation of distress in the redevelopment areas of the district;
- (d) Does not have a population in excess of 250,000 according to the last preceding Federal census;
- (e) May reasonably be expected to accelerate or maintain existing rates of growth in terms of population, employment, and income;
- (f) Has the prospect of developing a diversified economy providing a wide range of health, educational, recreational, and cultural facilities; a relatively large local market; a relatively large well-trained labor force; and other similar qualities which encourage the continuing growth of economic activities; and
- (g) Is an active participant in the district economic development program.

**§ 302.11 Number of economic development centers per district.**

EDA will designate the single leading growth point in an EDD as the economic development center. However, additional centers may be designated where unusual conditions exist in the district, such as for example:

- (a) Where the district contains a relatively large number of redevelopment area residents who do

not have reasonable commuting access to any one economic development center; and

- (b) Where the district contains several smaller growth points rather than one leading economic development center.

**§ 302.12 Boundaries of economic development centers and boundary modifications.**

(a) An economic development center is administratively defined as a city or grouping of contiguous incorporated places. However, where justified, boundaries may be extended to include adjoining minor civil divisions or corridors of growth between centers.

(b) EDA may modify either the boundaries of an economic development center or the number of economic development centers in a district after giving notice and opportunity for comment to the State or States affected, if such modification will contribute to a more effective program.

**§ 302.13 Termination and suspension of economic development centers.**

EDA may, upon 30 days prior notice to the interested State and local agencies, terminate the designated status of an economic development center when:

- (a) The economic development center is no longer identified or recommended for designation in an approved district OEDP;
- (b) The economic development center no longer meets the standards for designation, § 302.11;
- (c) It fails to actively pursue its role as an economic development center in a manner that makes a significant impact on the performance of the economic development district within which it is located; or
- (d) The economic development center is no longer part of a designated economic development district.

The termination of the designation of an economic development district and termination of the designation of an economic development center may be done concurrently.

**§ 302.14 Redevelopment centers.**

EDA may recognize a redevelopment center which meets the criteria for economic development centers, but which falls in a designated redevelopment area. There is no limit on the size of the population of a redevelopment center.

**Subpart C—Financial and Other Assistance to Economic Development Centers and Districts****§ 302.15 Financial assistance to economic development centers.**

EDA may provide financial assistance in accordance with the criteria contained in part 305 of this chapter for projects in economic development centers (EDCs) when:

- (a) The project will further enhance the objectives of the OEDP of the district in which the EDC is located;
- (b) The project will enhance the relationship between the EDC and the EDD, particularly the redevelopment areas; and
- (c) The project will achieve one or more of the following:
  - (1) Encourage economic growth;
  - (2) Discourage out-migration from the district; and
  - (3) Have a beneficial impact on the district's redevelopment areas.

**§ 302.16 Economic development center project characteristics.**

Projects in EDCs shall have one or more of the following characteristics:

- (a) High job producing capability;
- (b) Remove barriers of access to jobs for the target population;
- (c) Ability to trigger further project activity;
- (d) Ability to trigger further economic impact; or
- (e) Provision of facilities and services deemed essential to stimulate further growth, at a level above that normally required for simple maintenance of a substantial community.

**§ 302.17 Grant rate for economic development center projects.**

The grant rate for projects under Title I of the Act in EDCs shall not exceed 50 percent of the project costs.

**§ 302.18 Financial assistance to redevelopment centers.**

The eligibility of redevelopment centers for EDA financial assistance, including the 10 percent bonus as provided for in this § 302.18 is the same as for any designated redevelopment area within the district. The grant rate for the redevelopment center shall be determined by the rate applicable to the redevelopment area within which it is located.

**§ 302.19 Assistance to economic development districts.**

Pursuant to Title III of the Act, EDA may provide other assistance to the district including:

- (a) Technical assistance;
- (b) Planning grants under part 307 of this chapter to assist the district