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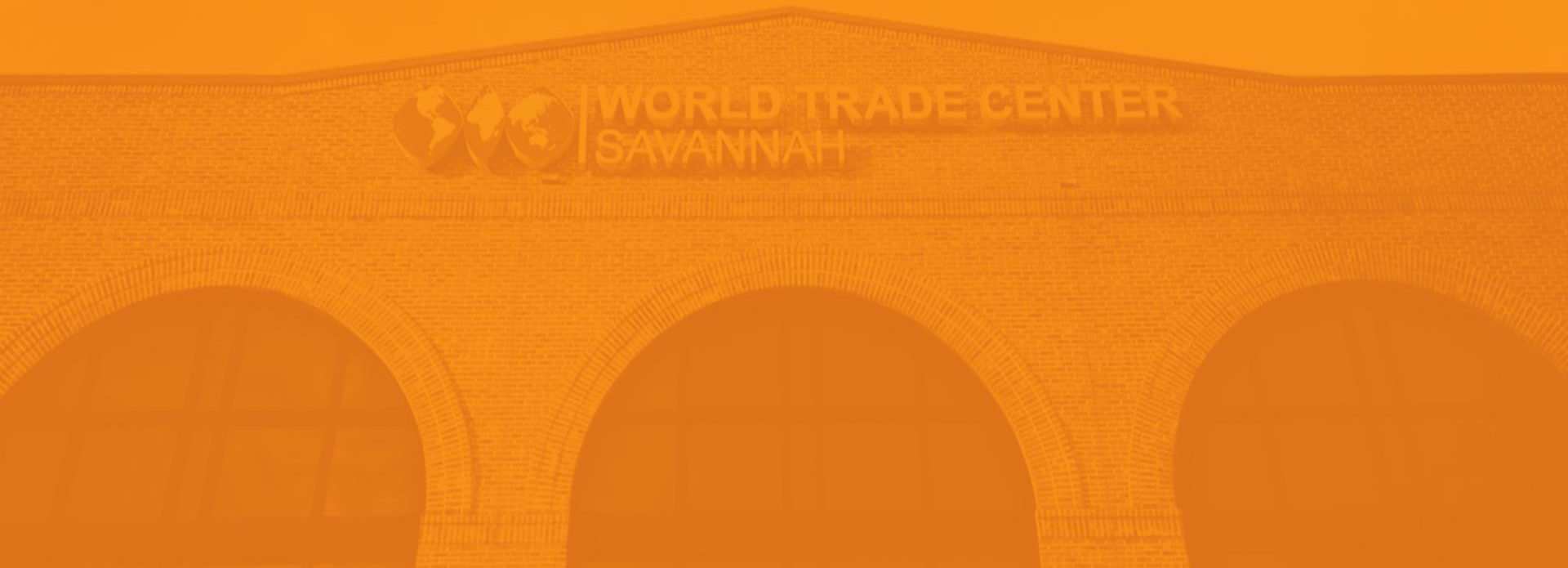
# The Basics of EB-5



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## World Trade Centers Association

More than 300 World Trade Centers in nearly 100 countries linked to over a million businesses globally

WTC Beijing

WTC Istanbul

WTC Dubai

WTC Bangalore

# WTCSav Mission & Strategy

**Mission**

- Attract Investment and Create Jobs

**Strategy**

- Help regional businesses expand internationally
- Identify foreign direct investment opportunities for the region
- Generate revenue to support these activities

# EB-5 Program Basics

- Congress created the EB-5 program in 1990 to benefit the U.S. economy by attracting investments from qualified foreign investors and it is administered by U.S. Citizenship and Immigration Services (USCIS).

- Qualified foreign investors (and their immediate families) can earn EB-5 visas,  a pathway to permanent United States residency, much faster that they otherwise could.

    - 12-25 years for standard visa process
    - 5-7 through successful EB5 investment in qualified job creation projects

- All investment offerings are subject to U.S. securities laws, enforced by state securities regulators and the U.S. Securities & Exchange Commission.

# Regional Centers

- In 1992, Congress enhanced the economic impact of the EB-5 program by permitting the designation of Regional Centers to pool EB-5 capital from multiple foreign investors for investment in USCIS-approved economic development projects within a defined geographic region.
- Regional Centers connect foreign investors with projects requiring investment and receive fees for the services.
- Investments can be made individually, on a stand-alone basis or through a federally approved Regional Center.
- Today, 95 percent of all EB-5 capital is raised and invested by Regional Centers.

# Jobs and Investment Requirements

- Each investor is required to demonstrate that at least 10 new jobs (direct, indirect or induced) were created or saved as a result of the EB-5 investment.

- The required investment per investor is a minimum of $1 million, or $500,000 if the funds are invested in Targeted Employment Areas (TEA), typically high-unemployment or rural areas.

# The Politics

- The program has been reauthorized by Congress every three years since inception. Congress last voted 412 to 3 to extend the EB-5 Program to September 30, 2015.

- EB-5 was included in the Congressional Continuing Resolution so the program is authorized through Dec 11.

- Expressed intention to improve the program with greater accountability and clarity of focus that could include higher minimum investment requirements and stricter TEA definitions.

# The Politics

Senate Judiciary Committee Chairman Charles Grassley (R-IA) and ranking member Patrick Leahy (D-VT) introduced S.1501, the American Job Creation and Investment Promotion Reform Act, also aimed at improving and extending the visa program.

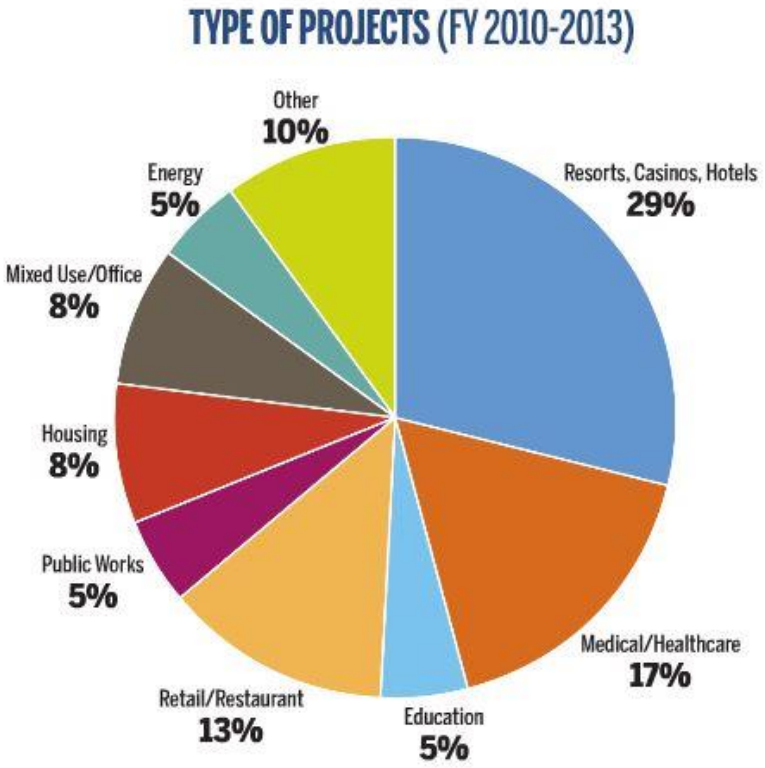
"The EB-5 Regional Center program faces some challenges, but I have not seen any flaw inherent to the program that could not be remedied," Leahy said in introducing the bill**. "Reforming and reauthorizing the EB-5 Regional Center program warrants our immediate attention because the program is set to expire."**

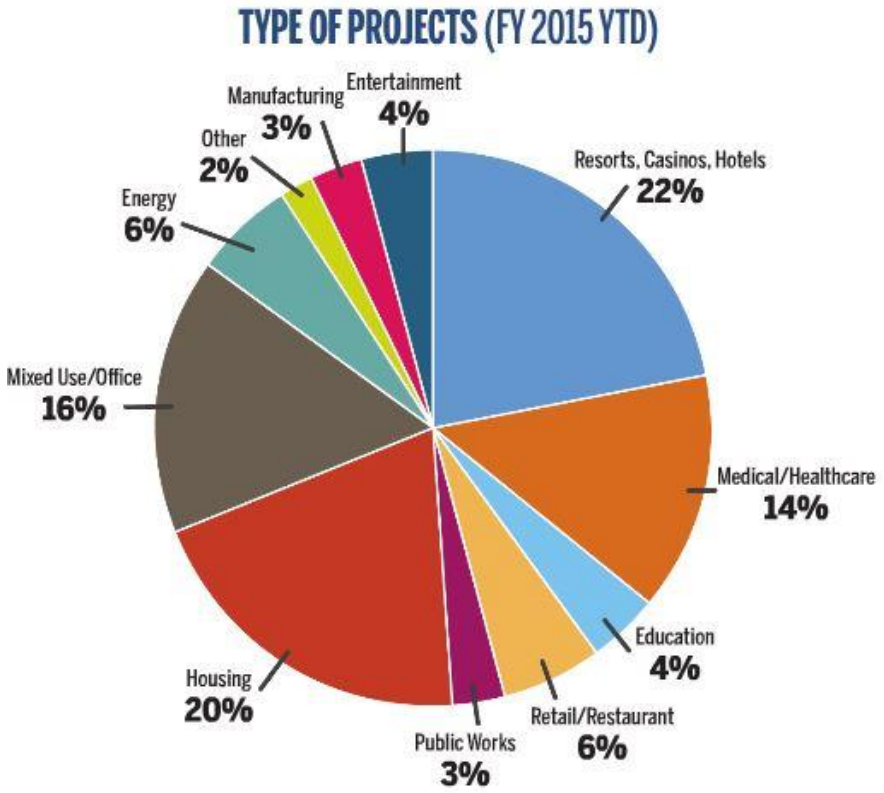
Grassley added that the bill **strengthens EB-5 oversight, ensures greater accountability and transparency, discourages fraud and provides higher priority to national security.**

# The Politics

Source: IIUSA

# Industry Sectors




Source: IIUSA

# Success Stories

SLS Las Vegas

# Savannah World Trade Center for Investment

- World Trade Center Montana & the Northern Rockies Regional Center (NRRC)

- EB5 Study Committee formed
  - Vetted NRRC
    - Included references from former Governor Brian Schweitzer and current US Ambassador to China Max Baucus.
  - Researched the program, successes and failures
  - Recommended that SEDA/WTCSav pursue designation
  - Approved in September 2012

- Application submitted in October 2014

- First potential project identified

- Limited to Chatham County

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# Questions?