

United States EB-5 Visa Category Immigrant Investor Program



Where Federal
Immigration
Policy Meets
Local Economic
Development
Initiatives

What Part of Legal Immigration Don't You Understand?

Mike Flynn and Shikha Dalmia

Illustrated by Terry Colon

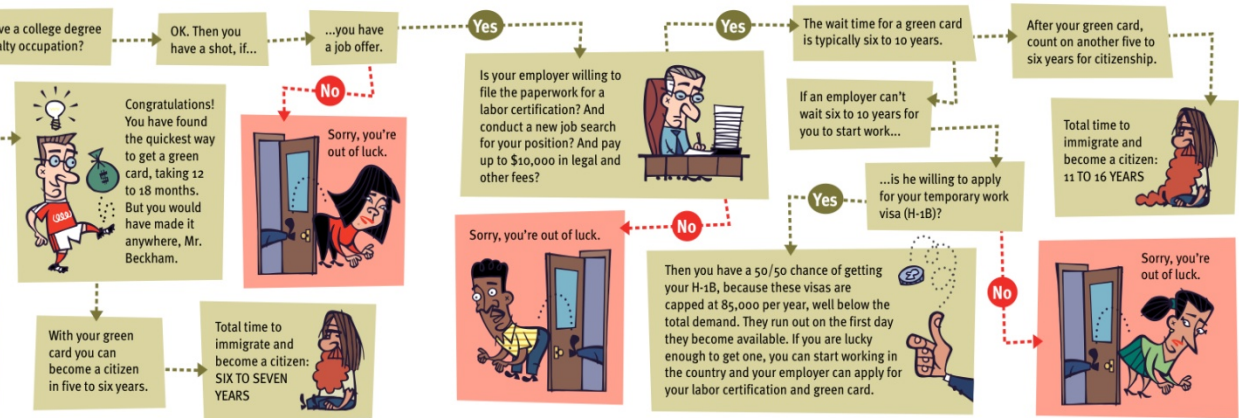
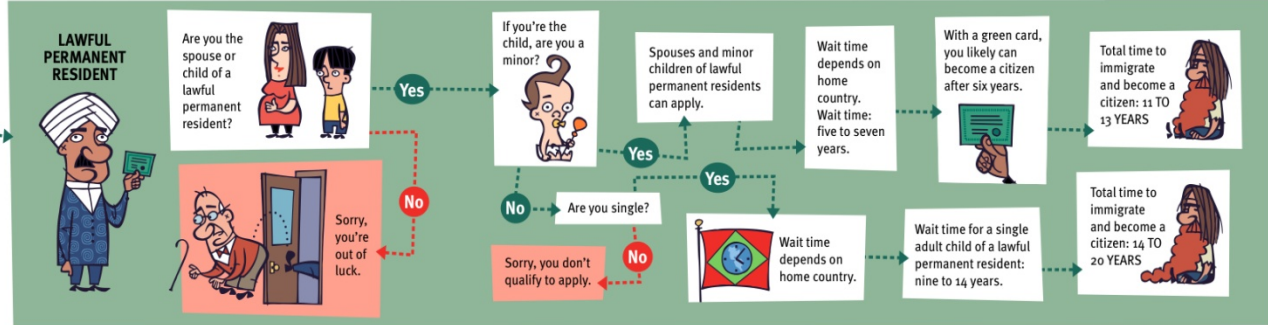
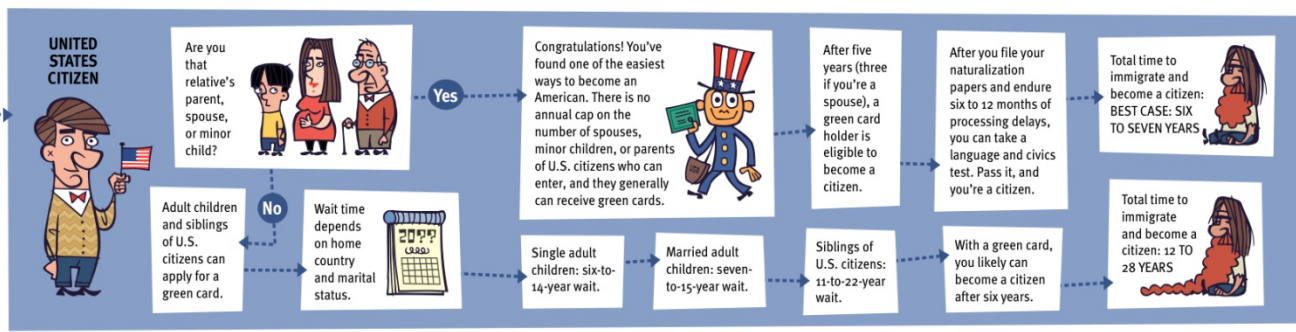
Opponents of illegal immigration are fond of telling foreigners to "get in line" before coming to work in America. But what does that line actually look like, and how many years (or decades) does it take to get through? Try it yourself!



Do you have family in the USA?
 Yes
 Is your relative a U.S. citizen or lawful permanent resident?

Are you skilled?
 Yes
 Do you have a college degree in a specialty occupation?
 Yes
 Can you prove that you are a genius? How about a star athlete? Or an investor with \$1 million?

Sorry! There is virtually no process for unskilled immigrants without relations in the U.S. to apply for permanent legal residence. Only 10,000 green cards are allotted every year, and the wait time approaches infinity. (Those who receive H-2A or H-2B temporary visas for seasonal work cannot transition to a green card.)



(Flynn is director of government affairs and Dalmia is a senior policy analyst at Reason Foundation. This chart was developed by Reason Foundation in collaboration with the National Foundation for American Policy.)



What is an EB-5 Visa?



**U.S. Citizenship
and Immigration
Services**

Created by Congress in 1990, an EB-5 visa grants permanent resident alien status to immigrants seeking to enter the United States in order to invest in a commercial enterprise that will benefit the US economy.

What is an EB-5 Visa?

10,000 EB-5 visas are available each year
3,000 are reserved to target low employment areas.



There are three basic requirements for an EB-5 visa:

- **First, the alien must establish a business**
- **Second, the alien must have invested \$1 million (\$500,000 in some cases) in the business**
- **Third, the business must create full-time employment for at least 10 US workers**

What is an EB-5 Visa?

There are three ways to invest within the EB-5 category and they are:

1. Create a new commercial enterprise
2. Invest in a troubled business.
3. Invest in a designated Regional Center



What is an EB-5 Visa?

Create a New Commercial Enterprise

- **Minimum investment** : US\$1,000,000 or US\$500,000 in targeted employment areas
- **Minimum job creation**: 10 direct jobs
- **Minimum participation**: Active participation

Invest in a Troubled Business

- **Minimum investment** : US\$1,000,000 or US\$500,000 in targeted employment areas
- **Minimum job creation**: Maintain the number of jobs at no less than the pre-investment level for a period of at least two years.
- **Minimum participation**: Active participation

Invest in a Designated Regional Center

- **Minimum investment** : US\$500,000
- **Minimum job creation**: 10 jobs, direct or indirect
- **Minimum participation**: Investment only

Immigration Numbers –

Who's coming?
Where are they going?
What are they doing?



2009 Immigration by Region & Country

Total: 1,130,818

LATIN AMERICA	267,677
Brazil	14,701
Colombia	27,849
El Salvador	19,909
Guatemala	12,187
Mexico	164,920
Peru	16,957
Venezuela	11,154

2009 Immigration by Region & Country

Total: 1,130,818

ASIA	197,842
China, People's Republic	64,238
Korea, South ¹	25,859
Philippines	60,029
Taiwan	8,038
Thailand	10,444
Vietnam	29,234

2009 Immigration by Region & Country

Total: 1,130,818

CARRIBEAN	134,431
Cuba	38,954
Dominican Republic	49,414
Haiti	24,280
Jamaica	21,783

2009 Immigration by Region & Country

Total: 1,130,818

SOUTH ASIA	95,510
Bangladesh	16,651
India	57,304
Pakistan	21,555

Where are they going?

2009	State or territory of residence
227,876	California
150,722	New York
127,006	Florida
95,384	Texas
58,879	New Jersey
41,889	Illinois
32,607	Massachusetts
29,825	Virginia
28,396	Georgia
27,562	Washington

Investors as a group of total immigrants

	Total Permanent Resident Alien	EB-5 Visas
2000	841,002	218
2001	1,058,902	191
2002	1,059,356	142
2003	703,542	64
2004	703,542	129
2005	1,122,257	346
2006	1,266,129	749
2007	1,052,415	806
2008	1,107,126	1,360
2009	1,130,818	3,688

Types of Investors – On Their Own or in a Regional Center?

Category	Totals
Fifth: Employment creation (investors)	3,688
Employment creation, not in targeted area, new arrivals, conditional (C51)	21
Employment creation, not in targeted area, adjustments, conditional (C56)	77
Employment creation, targeted area, pilot program, new arrivals, conditional (I51)	835
Employment creation, targeted area, pilot program, adjustments, conditional (I56)	210
Employment creation, targeted area, new arrivals, conditional (T51)	39
Employment creation, targeted area, adjustments, conditional (T56)	108

Regional Centers

- Non targeted Areas
- Targeted Areas - High Unemployment

Requires identification of unemployment statistics based on census tracts. For Regional Center applications in the State of Washington, Information provided by Washington State Employment Security Dept.

Targeted Unemployment Areas

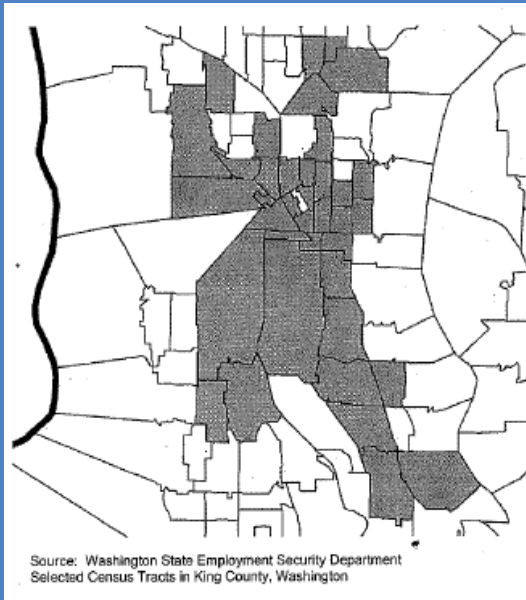


Table 1: Definition of Customized Area and Qualifying Tracts, 2009 Annual Average

Area	Unemployment Rate (2009)	Area of High Unemployment (At least 150% of National Rate)
United States	9.3%	
Washington State	8.9%	No
King County	8.1%	No

Custom Area (provided by Dargey Management, LLC)

Area	Unemp Rate (2009)	Area of High Unemployment (At least 150% of National Rate)
53033005200	7.0%	No
53033005301	21.4%	Yes
53033005302	25.3%	Yes
53033005802	9.5%	No
53033005900	9.5%	No
53033006100	6.3%	No
53033006500	8.1%	No
53033006700	7.7%	No
53033007100	8.4%	No
53033007200	10.1%	No
53033007300	34.1%	Yes
53033007400	8.8%	No
53033007500	7.8%	No

Area	Unemp Rate (2009)	Area of High Unemployment (At least 150% of National Rate)
53033007700	10.7%	No
53033007900	10.1%	No
53033008001	14.4%	Yes
53033008002	16.7%	Yes
53033008100	27.6%	Yes
53033008200	13.6%	No
53033008400	13.7%	No
53033008500	14.9%	Yes
53033008600	16.6%	Yes
53033008700	12.6%	No
53033008800	11.2%	No
53033009000	22.1%	Yes
53033009100	35.9%	Yes

Area	Unemp Rate (2009)	Area of High Unemployment (At least 150% of National Rate)
53033009200	32.7%	Yes
53033009300	28.6%	Yes
53033009400	15.0%	Yes
53033009900	13.6%	No
53033010000	11.6%	No
53033010300	15.6%	Yes
53033010400	14.8%	Yes
53033010700	19.2%	Yes
53033010800	10.5%	No
53033011000	18.8%	Yes
53033011700	19.2%	Yes
53033011800	17.1%	Yes
AREA TOTAL	14.1%	Yes

Source: Washington State Employment Security Department

Regional Centers in the U.S.

Alabama - 1	Kansas - 1	Pennsylvania - 2
Arizona - 1	Kentucky - 1	South Carolina - 1
California - 26	Louisiana - 3	South Dakota - 2
Colorado - 3	Massachusetts - 1	Tennessee - 1
Washington D.C. - 3	Mississippi - 2	Texas - 2
Florida - 11	Michigan - 3	Vermont - 1
Georgia - 3	Nevada - 3	Washington - 7
Guam - 1	New Jersey - 1	Wisconsin - 2
Hawaii - 3	New York - 3	
Idaho - 2	North Carolina - 2	TOTAL - 99
Illinois - 2	Ohio - 3	
Iowa - 1	Oklahoma - 1	

Washington State Regional Centers

American Life, Inc. - Lakewood Regional Center

Geographic Scope: City of Lakewood, WA; Census Tracts of: 071704, 071706, 071707, 071803, 071804, 071805, 071806, 071902, 072000, 072105, 072106, 072107, 072108, 072109 and 072112

Industries: Architectural & Engineering, Restaurant/Bar, Warehousing, Light Manufacturing, Transportation, Entertainment, Retail, Hotel, Apartment Rental, Banking and Financial Services and Office Leasing

Washington State Regional Centers

Regional Center: American Life Ventures Everett, Washington

Geographic Scope: City of Everett, WA

Industries: Renovation of industrial facilities or new construction of facilities to be leased to business tenants engaged in light manufacturing, warehousing, or retail sales activities

Washington State Regional Centers

Regional Center: American Life Seattle RC | Gold Rainbow | Freedom Fund

Geographic Scope: Jackson County, OR and the City of Seattle Neighborhood Reinvestment Area, WA

Industries: Air cargo and manufacturing facility, Commercial/industrial/residential development, Provide capital, loans or investments, Establish or invest in lending institutions

Washington State Regional Centers

Regional Center: Twin Development LLC Regional Center

Geographic Scope: The redevelopment area within the City of Federal Way, Washington

Industries: Mixed use real estate development

Washington State Regional Centers

Regional Center: American Life Ventures, Tacoma, Washington

Geographic Scope: City of Tacoma, WA

Industries: Renovation of industrial facilities or new construction of facilities to be leased to business tenants engaged in light manufacturing, warehousing, or retail sales activities

Washington State Regional Centers

Regional Center: Whatcom Opportunities RC

Geographic Scope: Whatcom County, WA

Industries: Assisted living facilities for the elderly

Washington State Regional Centers

Regional Center: Aero Space Port International Group (ASPI Group) Regional Center

Geographic Scope: Grant County, Washington

Industries: Direct equity investment or Community Development Loans to businesses in the following sectors: Manufacturing, Wholesale Trade & Distribution and Warehousing, High Technology, Business and Financial Services, Airport Facilities, Retail, Commercial Lodging and Hotel, Schools, Health Care, & Public Facilities, Residential Development, Infrastructure Development.

EB-5 Visa and Regional Center Program

- Run by the USCIS
- Fifth Category, Immigrant Investor
- Immigrant investors comprise less than .03% of the total legal immigrant population
- Most immigrant investors are looking to Regional Centers in targeted areas
- Washington is one of the top Regional Center states with 7 active centers.

Thank You

