

NEWSLETTER  
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## **EB-5 Out West: Regional Centers in Colorado, California, Montana, Washington, and Utah Make the News, pages 1-6**

**ALSO:** New EB-5 projects in Florida focus on mixed-use development, pages 6-9  
**AND:** Possible New York Deal Could Be Most Expensive EB-5 Project on Record, page 9

### **Colorado EB-5 Visa Projects "Sensible Development" Deals Says Principal**

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Could Colorado be the next success story for the EB-5 visa program?

Chet Schwartz thinks so. As Managing Director of the newly-approved [Colorado Regional Center](#), Schwartz believes his outfit's development-centered investment immigration projects will appeal to foreign investors for one simple reason – they stand on their own merits.

"They're good deals," says Schwartz. "They're sensible development deals."

But with the number of USCIS-approved regional centers edging forward each month, the competition for immigrant investors' attention may be stepping up. This summer, USCIS approved the nation's 100th regional center, a noteworthy leap from the roughly 80 or so approved centers listed on its website at the beginning of 2010.

As Schwartz points out, however, only a handful of those regional centers appear to be active, which may leave a larger opening for more serious newcomers eager to have the EB-5 visa program fund new initiatives.

### **An attractive destination for EB-5 visa investors?**

When it comes to whether the state of Colorado holds any particular appeal to the immigrant investor, Schwartz is confident.

"We think there is some appeal to the international community," he says, noting that "Colorado and the world-class ski areas" are not exactly unknown locales in other parts of the world. Compared to some parts of the country, he adds, "Colorado has a little more pizzaz."



And the projects themselves?

One is an existing initiative – a mixed-use development in Vail – which is "already pretty far along," according to Schwartz. Were the Colorado Regional Center to find the EB-5 visa investors it's looking for, those dollars would help spur the venture forward.

Another project is planned for Aurora, a Denver suburb where a new hospital complex is currently under construction. New developments near the hospital complex would be the recipients of

immigrant investor funding, and Schwartz says the regional center is currently negotiating with developers.

As for selling investors on its proposed initiatives, the regional center is aware that alleged instances of "over-marketing" EB-5 visa projects to foreign investors has the Chinese government [issuing warnings](#) about the program. But Schwartz says he isn't worried.

"I'm not concerned about it," he says. "We're trying to find [sales] contacts who are honest and straightforward."

Development projects already seen through by Waveland Ventures LLC, Colorado Regional Center's parent company, are listed on the center's [website](#).

### **Scouting out a TEA**

Given the current high rate of unemployment, it may come as a surprise that finding a Targeted Employment Area (TEA) in Colorado is easier said than done.

"The good news for Colorado is that the unemployment rate isn't as high as the national average," says Schwartz. That's why the regional center received approval to take on EB-5 visa projects all throughout the state – in particular those rural areas with populations low enough to qualify as TEA's.

"We're focusing a lot of attention on areas in the mountains," he says. "There is still some zeal for development in the mountains."

If the Colorado Regional Center is successful in its attempts to use investment immigration as a catalyst for new development initiatives in the Centennial State, it will join the relatively small percentage of regional centers in the United States actively managing EB-5 visa projects.

## Victorville Receives Second Termination Notice from USCIS



The *San Bernardino County Sun* reported this month that USCIS has sent a second "Notice of Intent to Terminate" to the [Victorville Regional Center](#).

Earlier this year, Victorville became the first USCIS-approved regional center to receive such a notice, and the second letter, dated August 10, states that most of the jobs the regional center was generating do not have any direct link to the \$30 million wastewater treatment plant that is the centerpiece of its EB-5 investment portfolio.

Regional Center CEO Keith Metzler has now mailed a letter and more than 50 pages of supporting documents to USCIS and remains confident that the regional center is well within the bounds of what is required by the EB-5 program.

[According to the Sun](#), Metzler says in his letter that "Had it not been for the commitment by the city of Victorville and its redevelopment agency to build the (wastewater treatment plant), the jobs generated by (Dr. Pepper Snapple) and Plastipak would not currently exist." Metzler is referring to new jobs created at nearby industrial facilities that depend on the wastewater treatment plant.

Dated September 1, Metzler's letter states that the new notice "jeopardizes the ability of the Southern California Logistics Airport Industrial Wastewater Treatment Facility to sustain jobs created as it prohibits the ability of the SCLA (wastewater treatment plant) to refinance its construction debt."

USCIS does not appear so sympathetic, however. In its letter to Victorville, it asserts that "neither the Dr. Pepper Snapple plant nor the Plastipak plant appear to have a relationship with the wastewater treatment plant other than being parties to agreements to be consumers of the services of the wastewater treatment plant [...] It would appear that your regional center asserts that any newly created public or private entity that provides a commodity or service to commercial consumers, such as a wastewater treatment plant, power plant, solid waste disposal center, etc., would in effect be able to claim credit for the jobs created by the commercial consumers of its services."

Whether Victorville is able to survive this unusual and serious threat to its existence remains to be seen. Its principals, however, seem confident in their assertions that the regional center has nothing to fear.

William Buck Johns of Inland Energy, the developer awarded the contract to seek out immigrant investors, tells the *Sun* they're "expecting the green light from USCIS any day now."

The article goes on:

Johns said other companies planning a move to the SCLA and create jobs will be utilizing the wastewater treatment as well. In addition, the Victorville Federal Prison will also be a user of the plant.

Johns said the regional center is still actively marketing the EB-5 program to investors, but said it is dire that the matter be cleared up with the federal government.

"It's just a clear misunderstanding by the USCIS. We're well within the bounds of the program, and this is one of the more successful EB-5 programs in the country."

With so many new EB-5 regional centers opening their doors, seeing one in danger of having to shut them is certainly an anomaly. If one thing is certain, however, it's that USCIS and Victorville must come to an agreement if the 28 investors who have already committed to funding the center's projects are to receive their green cards.

## **EB-5 in Montana? The Governor Says Yes.**

Montana may be hopping on the EB-5 regional center bandwagon. Its governor, Democrat Brian Schweitzer, made a few comments to a local television station in Missoula indicating his support for the program.

"As we attract new capital to Montana, we create new jobs in Montana, so new capital, new jobs, good for Montana," said Schweitzer.

The governor was meeting with ALPS CEO Robert Minto, who updated him on plans to open a regional center in Big Sky Country. According to the KAJ18 television channel, he "hopes to have the first projects funded by late 2011 or early 2012."

See the [network's video at kaj18.com](http://kaj18.com).



## American Life, Inc. Shares New Promotional Video Highlighting Seattle SODO District EB-5 Project



Thanks to Jo Hwang for sending us [the new video American Life Ventures is using](#) to promote its SODO – Home Plate Center EB-5 visa project in Seattle.

According to American Life's website, the property at 1501 1st Ave. will undergo development for new retail, office, and parking facilities, an endeavor to be funded by EB-5 visa capital investment. The site is located in Seattle's SODO district, which sits directly south of downtown.

American Life Inc. began funding development projects in the SODO district in 1996 and became eligible for immigrant investor funding ten years later with the formation of American Life Ventures. The group now oversees 10 USCIS-approved regional centers participating in the EB-5 visa program.

## Utah's Mountain States Regional Center Focused on the Hospitality Industry

Approved August 11, Mountain States Regional Center is the first to appear in the state of Utah.



In reference to EB-5 investment in development projects, its President and CEO, Heath Westfall, [tells the Salt Lake City Tribune](#), "We're excited to be at the forefront of this." Westfall is a former venture capitalist working with Stephen Studdart, a veteran political advisor who is also collaborating with the Orem, Utah-based regional center as it exploits the EB-5 visa program for immigrant investor capital.

Since 2006, Westfall has worked with Z.H. Lodging, a company that operates Marriott-branded properties, according to the *Tribune*.

The paper explains:

Mountain States Center's focus is on the hospitality industry, particularly attracting investment in Marriott-branded properties developed and/or operated by Z H Lodging, a company Westfall has worked with since 2006.

But it also is authorized to pursue foreign investments that could be used in Utah and other parts of the West in fields as varied as horse ranch development, high technology, health-care services and innovation, entertainment, education and infrastructure.

Without providing details, Westfall said "we have several projects around the state that are in the pipeline. We anticipate having all of the funds put together for our first project in 60 days." He added that center officials have been in discussions with investors in China, the Middle East, Japan, Russia and several other countries.

If Westfall is trying to get foreign investors to fund Marriott-branded properties, he will join a fairly large group of EB-5 regional centers seeking funds for new hotels and other development initiatives in the hospitality industry.

## **Jimmy Buffett-Inspired EB-5 Visa Project Profiled by South Florida Newspaper**

Will a beach bum-themed resort in [Florida](#) attract EB-5 investor capital?

Lon Tabatchnik, a South Florida developer who plans to raise \$75 million from 150 investors through the EB-5 visa program, is confident that it will. The completed project would be a Hollywood, FL beach getaway named after the popular Jimmy Buffet tune, "Margaritaville."

According to South Florida's *Sun Sentinel*, Tabatchnik plans to break ground on the development in 2012.



In its article on the Margaritaville project, the paper notes some common controversies regarding the EB-5 program in general, but balances those with commentary from a Florida immigration attorney:

"The United States gets about 1 million immigrants a year. EB-5 is open to 10,000 a year, who are high net-worth individuals, generally well-educated with no criminal record," said immigration lawyer Larry Behar of Fort Lauderdale. "Is that the kind of immigration we want? You're darn right."

Behar has developed a specialized EB-5 unit with a staff of eight who do legal work for proposed regional centers, help market the approved centers and help foreign investors obtain the visas.

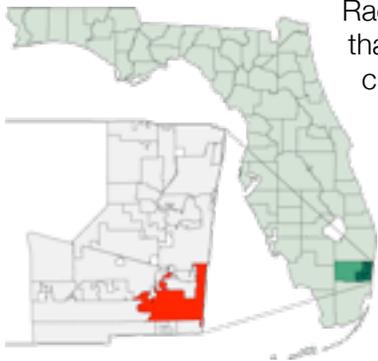
He recently returned from a trip to China with the governor of Idaho to tout mining ventures in Idaho approved as an EB-5 regional center. And he's now seeking approval for what would be the largest EB-5 regional center nationwide: a \$250 million cancer treatment hospital in Brooklyn, N.Y.

Along with [the highly-publicized Hollywood Florida retail/residential development](#) being touted by the newly-approved Gold Coast Florida Regional Center, the Margaritaville Resort is likely among Florida's larger development-centered EB-5 projects being marketed to foreign investors. Like the Gold Coast Florida initiative, Tabatchnik has suggested that the resort will create thousands of new jobs.

"Some EB-5 investors worry if they'll meet employment requirements," he tells the paper. "But a hotel creates jobs immediately, and we've found some investors are more comfortable when government is involved."

## ***Miami Herald* Takes a Look at Possible Florida EB-5 Project**

The *Miami Herald* [ran a story this month about the Great Southern Hotel](#), which it contends was once "a landmark of Hollywood's [Hollywood, FL] Young Circle." It seems that the hotel has sat idle for some time but is now about to get a "\$100,000 face-lift."



Raelin Story, spokeswoman for the city of Hollywood, tells the *Herald* that "the project is a compromise between the owner and the city to clean up decaying property - at least what the public can see - while it sits empty awaiting redevelopment."

That redevelopment would come in the form of a project funded by EB-5 investment under the auspices of developers Chip Abele and Mo Abbas of the [Gold Coast Florida EB-5 Regional Center](#).

Abele announced in 2003 that his group would be razing the hotel and building a mixed-use development in its place. In a recent conversation with *EB5info.com*, however, Abele stated that redevelopment of the property where the Great Southern Hotel currently sits is still not an active project, EB-5 or otherwise, but is merely in the pipeline.

## The Florida Regional Center Issues First Press Release



The Florida Regional Center has received USCIS approval and will begin raising immigrant investor funds for a Palm Beach County initiative. Its [first EB-5 visa project](#) is a new town center development in Jupiter, Florida called Harbourside Place, which the center says will provide a “gathering place” much like a traditional downtown.

The regional center’s EB-5 visa project is located in a TEA and is stated to be worth \$144 million, \$80 million of which it plans to receive from immigrant investor visa funding. The center’s marketing material states that the project should create 400 more jobs than required.

Nicholas Mastroianni II, President of Allied Capital & Development of South Florida, LLC and new managing principal at the regional center has experience in the real estate and development market, and past projects have included subdivisions, town home developments, commercial facilities, and mixed use sites. USCIS approval of the Florida Regional Center brings the total number of EB-5 regional centers in Florida to 15.

Here is the text of the press release:

### **Decision Green Lights Overseas Investment Opportunities in Harbourside Place Jupiter, FL Development Project**

Florida Regional Center, [www.FLRegionalCenter.com](http://www.FLRegionalCenter.com), the U. S. government-approved entity that provides investment opportunities in Florida real estate development projects for foreign nationals through the U.S. government EB-5 Visa Program has been given full approval as a designated regional center by the United States Citizenship and Immigration Services (USCIS). The approval gives the green light to the agency’s Harbourside Place development project in Jupiter, Florida.

Nicholas A. Mastroianni II, Manager, Florida Regional Center, said, “Not only is this a major milestone for the Florida Regional Center and Harbourside Place, but it is a life raft for Palm Beach County and the Town of Jupiter; the economic stimulus this will bring to the area is a necessity. We have been promoting this project for months and we can now begin to file I-526 applications for interested foreign investors.” Harbourside Place features an entertainment plaza and outdoor amphitheatre, retail space, restaurants and eateries, office sites, 4-star hotel accommodations and

marina. This full-scale development encompasses a thrilling range of opportunities for business, visitors and residents.

### **About Florida Regional Center and the EB-5 Visa Program**

Each year, the U.S. government reserves 3,000 green cards for foreign investors who invest in designated regional centers through the EB-5 Visa Program. These initiatives enjoy full government support as they stimulate the economy, generate at least ten jobs per investment, and promote community development while providing direct access to green cards for foreign investors and their families.

The Florida Regional Center will bring the benefits of the EB-5 Visa Program to the business community of Palm Beach County. Regional center projects must be approved by the U.S. government and the main criteria is that each investor's contribution will create ten sustainable jobs for U.S. workers in a designated geographical region.

For more information on Harbourside Place and other Florida Regional Center projects, visit [www.FLRegionalCenter.com](http://www.FLRegionalCenter.com) or email us at [info@FLRegionalCenter.com](mailto:info@FLRegionalCenter.com).

### **New York Project May Raise Largest Figure on Record for EB-5**



According to the *Wall Street Journal*, New York developer Bruce Ratner is [headed to China next month to see if he can use the EB-5 visa program](#) to raise money for an enormous project in Brooklyn known as "Atlantic Yards." The centerpiece of the project, which is estimated to be worth around \$4.9 billion according to the *Journal*, is a new arena for the New York Nets.

Ratner is only seeking about \$250 million through the EB-5 visa program, it seems, but that figure would still be among the largest amounts ever raised through the immigrant investor green card program.

It also seems Ratner received some guidance from New York City officials, who have been impressed by the [successful Brooklyn Navy Yard project being handled by the New York City](#)

[Regional Center](#). City officials urged Ratner to use the EB-5 visa program as a source of financing for his own ventures.

It remains to be seen whether Ratner's trip to China or any subsequent efforts to exploit the EB-5 program for his Atlantic Yards project will culminate in the largest figure ever raised by the program for a single initiative. The plans, however, are ambitious. The *Journal* is also reporting that construction of 16 residential towers – also part of Atlantic Yards – is planned for next year.

The New York City Regional Center does have a hand in the project as "sponsor," the paper states, but the Atlantic Yards project still needs approval from the federal government before it can use any of the \$250 million it is able to raise through the program.



**Are you an EB-5 practitioner who would like to contribute an article?**

**Email Adam Green, Editor:  
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