

EB-5 Immigrant Investor Program for the AL Economy

In 1990, Congress established the EB-5 Investor Immigrant program to stimulate the economy through foreign capital investment and job creation. Basically, the EB5 program is a vehicle to attract investments from foreign investors who want to secure a permanent resident card for themselves and their qualified family members into the US.

Congress places three requirements on foreign investors seeking a permanent resident card under this program:

1. Make an investment in a new commercial enterprise (as the EB-5 regulation defines).
2. Make an investment of \$1 million into that enterprise.
3. Lead to the creation of employment for at least 10 full-time U.S. workers.

This minimum investment is lowered from \$1 million to \$500,000 if the investment is made in a targeted employment area (TEA). Obtaining a permanent resident card is based on whether foreign investors' investment results in job creation. The success of an EB5 project is determined by whether it created 10 jobs.

Foreign investors' interest in the EB program is spreading not just in Asia, but from all corners of the globe: China, South Korea, Britain/Northern Ireland, India, Iran, Mexico, Canada, and Russia. China accounted for over 50% and South Korea accounted for over 20% of all EB-5 visas worldwide in recent years.

Since 2003, through the EB-5 Program, foreign investors have invested over \$3.1 billion of foreign capital in the U.S. economy, which has created over 65,000 jobs for qualified U.S. workers.

Government Involvement

Government involvement in EB-5 ranges from support of private regional centers through education and letters of support to directly operating Regional Centers either solely or via public-private partnerships. There are over 240 approved EB-5 Regional Centers in the U.S. and two territories, compared to just 25 EB-5 Regional Centers in 2006. However, only about 20 of these are regarded as fully operational.

About a half of the 20 highly active Regional Centers have direct government involvement at either the local or state level: For example, the State of Hawaii, Iowa, Pennsylvania, South Dakota, the County of Los Angeles, and the City of New Orleans have developed EB-5 projects in several industry sectors with strong indications of expansion, growing employment needs, and high return on investments.

When state and/or municipal government is involved, diversity of projects in a variety of industries is possible, particularly targeting rural areas to generate a sustained pipeline of projects that benefit the entire state. Further, the track records of Regional Centers with direct government involvement indicates that State or City affiliation provides many benefits including credibility, accountability, oversight, monitoring, continual EB-5 compliance, diversity of projects, and faster approvals of EB-5 visas.

Even when governments are not directly involved in Regional Center operation, many still choose to support EB-5 Regional Centers in other ways.



EB 5 Industry

EB5 Projects have been developed in the following industries:

- Agriculture & Food Processing
- Alternative Energy
- Airport Development
- Construction
- Energy
- Harbor, Marine, and Coastal Rebuilding
- Health Care
- Health Services
- Heavy Manufacturing
- Higher Education
- Light Manufacturing
- Lodging, Hospitality, and Restaurants
- Manufacturing and Trade
- Motion Picture, Film, and Arts
- Port Redevelopment
- Public Transit Improvements
- Resort industry
- Retail, Entertainment, and Gaming
- Schools
- Service Industry
- Shipyard Development
- Technology
- Tourism
- Transportation System
- Travel
- Universities

Alabama's Economic Development

Alabama has targeted several business sectors for economic development efforts over the next few years where likely candidates for EB-5 projects could be developed. These include Aerospace, Automotive, Agricultural Products/Food Production, Steel/Metal, Forestry Products, Technology, Distribution/Logistics, and Corporate Operations. Many states and cities have enjoyed the economic development benefits offered by the EB-5 program since the Regional Center Program was established in 1993. Alabama, at both the state and municipal levels, should look into how Alabama also can best leverage the EB-5 Immigrant Investor Program to stimulate our economy in order to benefit from this program as well.