

new this month...

- **New Regional Centers in Washington, Michigan Receive Approval:** Both issue press releases that detail projects, strategies, and goals. **(pages 1 & 3)**
- **Commentary Critical of EB-5-Funded Hybrid Car Manufacturing Facility in Alabama (page 2)**
- **Fewer EB-5 Investors From Europe?:** Read why Greece's problems may make EB-5 visas less attractive to European investors. **(page 4)**

New Regional Center in Michigan Has High Hopes for "Low-Risk" EB-5 Investments

According to Jim Lynch, operator of the newly-minted and USCIS-approved [EB-5 Michigan Regional Center \(EB-5 MRC\)](#), he and other principals at the Saginaw, Michigan operation will help foreign national investors "looking for low-risk investments."

A press release [issued by the center](#) states that EB-5 MRC, only the second EB-5 regional center in the State of Michigan, has been approved to seek investments for a multi-county region. Nine counties are listed in the release, and Lynch says that he and associates are "eager to expand the authorized area" and work with other counties toward creating jobs and putting investment dollars to work.

EB-5 MRC has already met with several investors who are interested in projects the regional center may pursue. USCIS has approved the Michigan operation to solicit investments in biofuels, biotechnology, and alternative fuels manufacturing and research facilities, and its team boasts many years of experience in venture capital investment and new product development.



EB-5 MRC will raise capital for biofuel manufacturing.

As Lynch notes, "There's plenty of competition out there for investment dollars, and we'll be calling on our local EDCs, chambers of commerce, business authorities and investor groups to help us sell mid-Michigan." Competition among regional centers – there are now nearly 80 – has certainly grown fiercer since the dawn of the economic downturn and subsequent hunt for alternative sources of financing.

Lynch continues, "We know that [mid-Michigan is] fertile ground to grow successful businesses, but we need to prove it, and we will." EB-5 MRC will begin soliciting funds for its projects in what is perhaps the most fertile ground of all for regional centers – The People's Republic of China.



Commentary Skeptical of HK Automotive's Plans for EB-5 Visa Project in Alabama

From Charles Child of Automotive News comes a very skeptical view of Hybrid Kinetic Motors Corporation's plan to produce a line of "green" hybrid cars through the EB-5 visa immigrant investor program. As EB5info.com [reported last month](#), there was concern from within Alabama about the large number of investors needed by [America's Center for Foreign Investment \(ACFI\)](#) before the State of Alabama would provide any funding or incentives.



According to Child, the HK Motors project is little more than a "pie-in-the-sky" fantasy, and its contention that the plant will produce 3 million hybrid cars per year is simply "absurd." Child compares that number, which has appeared as a 2018 target production goal in HK's promotional literature, with General Motors's 2009 sales of 2.1 million units.

Nor does Child accept that the quality of HK automobiles will rival that of Mercedes Benz, an assertion that comes straight from the lips of HK CEO Chuantao Wang.

HK Motors hopes to build cars like this Italian-designed Quaranta.

Whether HK Motors will ultimately produce cars in as great a volume and as of fantastic quality as its leaders contend may be beside the point. The automaker is already soliciting funds from wealthy Chinese investors through ACFI, the [only EB-5 regional](#)

[center in Alabama](#). If the center is able to raise \$1 billion in total capital investment, it's likely that the State will help foot the bill.

HK Motors would not be the first Asian carmaker in recent years to build a plant in the region. Hyundai built a factory near Montgomery in 2002, and KIA opened a facility just across the Georgia border in 2007. Car manufacturing plants are labor-intensive enterprises that bring jobs to communities. If there is a market for the product, there are jobs for the taking.

Citing its use of the EB-5 program, Child says HK's "plans have little to do with making cars." However, if cars are not made and no jobs are created, the potential for EB-5 would not exist.

For now, the State of Alabama will wait and see if ACFI comes up with the funds.



Regional Center to Pursue Mixed-Use Development Washington State's 8th Largest City

A press release from [Twin Development LLC](#) outlines the group's [plan to bring a mixed-use development](#) to Federal Way, Washington.

The project will be funded by the EB-5 visa program during a time when "conventional lending for large mixed-use projects has been all but frozen," said Patrick Doherty on behalf of the City of Federal Way. Turning to the EB-5 program for funding is not uncommon in today's climate, and more developers are starting to see the program as a viable way to raise the money not being lent by banks.

USCIS just granted regional center designation to the city, which will operate under the name Twin Development Regional Center. The City of Federal Way has a



above: Tacoma, Washington; Federal Way is roughly 15 miles from Tacoma.

population of 88,580, but the press release claims it currently has "only 38,000 jobs." Regional center operators have the support of Washington's governor, Christine Gregoire, who has said "it is precisely the EB-5 foreign investor visa program that may be able to provide [the necessary] source of financing" to get Twin Development's projects underway and start creating jobs for the community.

The press release quotes Twin Development Co-Manager, Steve Smith: "This project is further confirmation of the Pacific Northwest's status as an international gateway. [...] By leveraging the opportunity presented by the EB-5 program, we can broaden access to foreign capital sources while providing a lucrative opportunity for international investors."

Twin Development Regional Center joins [American Life](#), one of the oldest, most established regional centers, and [Whatcom Opportunities](#) in offering foreign nationals an investment opportunity in Washington State.



Why Greece's Problems May Mean Fewer European EB-5 Visa Immigrant Investors



Police in Greece quell protests.

European leaders met this month to discuss plans to rescue Greece from a financial free-for-all which threatens to drag other European Union countries, economies, and debt down with it.

Comments in anticipation of help by EU leaders, in particular from Germany, helped the euro rise to \$1.38 from a 9-month low against the dollar. All eyes will be on the outcome of the meeting today and what package, if any, can be put together to stop the euro from falling further.

The fate of not only Greece, but Portugal and Spain may also rest with whatever fiscal and monetary measures the stronger EU countries can put together. Should these countries be unable to curb their massive budget deficits and their GDP continue to stagnate, there will be further pressure on the euro as

investors unload European assets in favor of the stronger dollar, which would make investment in the U.S. EB-5 immigrant investor program much more costly for any potential EU investors.

According to [Reuters](#):

Fiscally fragile euro-zone countries like Greece, Portugal and Spain are under intense pressure to rein in huge budget deficits, aggravated by a steep economic downturn and billions of euros in stimulus spending. Their financial woes have hit investor confidence in the European single currency bloc and even sparked speculation that a country could be forced out of the euro area.

As EU countries struggle to retain their financial integrity, rising costs will make it unlikely that even the lure of EB-5 visas will bring European foreign nationals to the U.S. in large numbers. A much more likely scenario is that Asian nations in less dire financial straits than the EU, in particular China and South Korea, will continue to send the largest number of EB-5 recipients to the U.S.



EB-5 Immigrant Investor Visa "Applicants by Country" Annual Report Issued by the National Visa Center

The National Visa Center (NVC) has released last year's totals for the number of approved visa recipients as of November 2009.

Various visa categories were considered in the NVC report, and the released figures show the number of approvals during the last year. Totals are grouped by country and include the petitioners as well as "spouses and children entitled to derivative status under INA 203(d)."



According to NVC:

Most prospective immigrant visa applicants qualify for status under the law on the basis of family relationships or employer sponsorship. Entitlement to visa processing in these classes is established ordinarily through approval by Citizenship and Immigration Services

(CIS) of a petition filed on the applicant's behalf. The petitions of applicants who will be processed at an overseas post are forwarded by CIS to the Department of State; applicants in categories subject to numerical limit are registered on the visa waiting list. Each case is assigned a priority (i.e., registration) date based on the filing date accorded to the petition.

Here are the 2009 totals for the EB-5 visa:

- **China-mainland born:** 126 approvals (38.8% of total)
- **Iran:** 63 approvals (19.4%)
- **Korea, South:** 57 approvals (17.5%)
- **All Others:** 79 approvals (24.3%)
- **Worldwide Total:** 325 approvals (100%)



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