



## Development Finance: EB-5 Immigrant Investor Program

EB-5 is a federal program created to encourage overseas investment into approved projects to help drive job creation within the United States. Foreign nationals who make qualifying investments receive priority status for attaining lawful permanent U.S. residency for themselves and family members. Since its creation in 1990, EB-5 has emerged as an important source of project capital.

### For More Information Contact:

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Over 90% of all EB-5 transactions nationally occur via regional centers. Regional centers are federally licensed by U.S. Citizen and Immigration Services (USCIS). The Port has an exclusive relationship with the Cleveland International Fund (CiF) to bring CiF's existing EB-5 regional center to Southwest Ohio.

CiF is a private equity firm with a national reputation for EB-5 deal financing. It has accomplished more than \$220 million in EB-5 project financing and achieved a final and important measure of program success - delivering permanent green cards to project investors.

Money raised is pooled from multiple foreign investors, who are located by CiF through an international network and qualified through USCIS. One of the unique aspects of The Port / CiF partnership is the ability to provide bridge financing so the developers can receive EB-5 related finding at transaction close.

### WHAT IS THE PROCESS / TIME LINE?

BORROWER PROCESS	ESTIMATED TIME FRAME
CiF and Borrower agree to loan terms Project closes	2-4 Months
CiF raises EB-5 funds and places them in escrow	4-8 Months
Funds are released from escrow as EB-5 investors are approved by USCIS; to repay interim financing	Approximately 12 Months
Borrower provides CiF with job creation data	2 Years after first funds are released into the project
Borrower repays funds at the end of loan term	5 Years after final funds into the project; no longer than 66 months



## Port Program Requirements

The Port's EB-5 program is geared specifically to the commercial real estate industry to provide debt financing for sizeable projects of at least \$30 million.

- Minimum \$30 million project, necessary to obtain the required job creation
- Senior Mortgage or Mezzanine Debt
- 5 Year Term, Interest Only
- Office, Retail, Hotel, Multifamily, Industrial, Infrastructure
- Anywhere in Hamilton County, urban areas of Hamilton and Middletown, Ohio

## Job Creation Requirements

Ohio projects located within Hamilton County and within urban areas around the cities of Hamilton and Middletown are considered priority investment areas and thus require fewer jobs created per investment dollar - 10 jobs per \$500,000 of EB-5 investment within two years (vs 10 jobs per \$1 million in other areas).

## Role of The Port

The Port is the marketing agent and regional contact for CiF in southwest Ohio, sourcing prospective deals and performing initial due diligence on projects. As a public agency, Port participation provides assurance of deal certainty, development finance expertise and market knowledge that is attractive to foreign nationals seeking participation in EB-5.

**Within The Port' project model, EB-5 capital works best as a portion of the deal structure either as a senior mortgage or as mezzanine debt, depending on the capital requirements. Interest rates on senior lending are comparable to the private real estate debt market. Interest rates on mezzanine loans are significantly lower than traditional mezzanine debt. EB-5 non-financial terms (including guarantees, security, and pre-leasing requirements) are frequently more favorable than can be provided through traditional lending channels.**

**Contact The Port early in the development process and we can quickly generate a term sheet that times closing to coincide with closing of rest of deal financing.**

**Other Port financing tools and incentives work well in tandem with EB-5, including structured lease**