

To rescue U.S. jobs, save EB-5 foreign investment

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As the Nov. 6 general election draws closer, two words dominate the debate: job creation. For too many Americans, unemployment is much more than a statistic released each month by the government; it is an unwelcome daily reality.

Today, Central and South Texas are on the cusp of receiving federal approval of a project that will open opportunities for international investors to fund businesses and development projects that will create jobs at no cost to taxpayers. The EB-5 Regional Center Program allows emigrants who have been vetted by the Department of Homeland Security to obtain a green card by investing at least \$500,000 in a U.S. business that will create or save at least 10 full-time jobs for American workers.

Foreign investments made under the EB-5 program nationally doubled in 2011 to more than \$1.25 billion over the previous year, according to the Association to Invest in the USA. The program generated more than 25,000 new jobs for U.S. workers.

If the program is fully deployed this year as scheduled, IUSA estimates, it will create or save more than 100,000 jobs each year. The nonpartisan Congressional Budget Office has verified that the EB-5 program costs U.S. taxpayers absolutely nothing because it is fully funded by fees paid by investors.

In Dallas, the city teamed up with Civitas Capital Group in 2009 to launch the City of Dallas Regional Center. After more than two years of close collaboration with Mayor Mike Rawlings, the results are clear: EB-5 works. The Dallas regional center has attracted more than \$120 million in EB-5 capital from foreign investors, which will create thousands of new jobs in areas of Dallas that sorely need them. Projects have included two affordable assisted-living facilities, expansion capital for an iconic local restaurant chain, a 250-seat call center facility and the redevelopment of a historic building in downtown Dallas into a boutique NYLO Hotel. The program's success is not limited to Dallas. Regional centers now exist in Houston and El Paso. Those in Philadelphia and Seattle have been creating jobs for over a decade. Now, the federal government is expected to soon approve a center serving Austin and San Antonio.



Sen. Patrick Leahy wants to permanently reauthorize the EB-5 program.



Sen. Charles Grassley, top Republican on Judiciary, is working with Leahy.

Nervous about the program's future, some international investors are investing elsewhere.

By investing in America, spurring job creation and meeting stringent qualification requirements, each EB-5 investor is able to become a U.S. resident. Our economy benefits not only from the new jobs associated with these investments, but also because these new residents spend money, pay U.S. taxes on their worldwide income, and perhaps most importantly, start new businesses. Our experience in Dallas confirms that many EB-5 investors are entrepreneurs. Of Dallas' first 100 EB-5 investors, who collectively have invested more than \$50 million into Dallas companies, 70 percent are business owners or directly related to a business owner in their home country.

Despite this record of success, there's a problem: Unless Congress acts soon, the EB-5 Regional Center Program will sunset on Sept. 30, and many job-creating investments will be made elsewhere. International investors are already nervous about the future of the program and some are investing in competing opportunities that do not benefit the American economy.

Fortunately, U.S. Sen. Patrick Leahy, a Vermont Democrat who is chairman of the Senate Judiciary Committee, and ranking member Sen. Charles Grassley, R-Iowa, recently introduced a bill that would permanently reauthorize the EB-5 Regional Center Program. Congress should act swiftly to pass this important legislation so the uncertainty surrounding the program's future is eliminated once and for all and Regional Centers around the country can get on with the business of creating new American jobs.

Healy is chief executive officer of Civitas Capital Group, an asset management firm based in Dallas, and a director of the Association to Invest in the USA, a trade group representing EB-5 Regional Centers.