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Chinese family first to seek visas by investing in Victorville

EB-5 program gives foreigners a chance to immigrate

BY BROOKE EDWARDS STAFF WRITER

VICTORVILLE

- One down, 49 more to go.

The Quan family from the Hunan Province of China committed Friday to investing \$500,000 into the city of Victorville in exchange for American visas under the federal EB-5 program.

They are the first of what is to be 50 foreign families who will help fund the city's planned wastewater treatment plant needed to process discharge from Dr Pepper Snapple Group's bottling facility coming to Southern California Logistics Airport.

The investment is good news for the city, which has been struggling to come up with financing for the wastewater plant.

The plan is also good news for the Quan family, whose son, Brian, has been attending the University of California, Irvine.

If Brian Quan doesn't get approved for legal residency through his family before he turns 21 in March, he will have to start the lengthy and complicated process of seeking a green card on his own from scratch.

But by applying for legal residency through the EB-5 program, the Quans will get to move to the front of a long line of aspiring immigrants waiting to get into the United States through other above-quota routes.

The EB-5 program was first piloted in 1992, with foreign citizens required to invest \$1 million into creating a new business and at least 10 jobs in America.

The concept of regional centers was added to the program a year later, with looser restrictions for investments into areas with high unemployment rates.

Regional centers slashed the minimum investment in half, with aspiring citizens only required to front \$500,000. What's more, they don't have to create their own business but can loan the money to the regional center for projects approved by the U.S. government.

Today, David Hirson — the experienced immigration attorney responsible for processing the city's applicants — said there are between 50 and 60 regional centers in the United States and another 40 or 50 awaiting approval.

By virtue of the tremendous job loss brought on by the closure of the former George Air Force Base, Victorville quite easily qualified for designation as a regional center. And a study by regional economist John Husing qualified a slew of projects at SCLA for investor visa funding, with the wastewater plant at the top of the list.

At least a month ago, Victorville granted William Buck John's Inland Group a one-year exclusive contract to solicit 50 investors willing to loan the city a total of \$25 million for the wastewater plant over the next year.

"In the short time since the City Council approved the program," Inland spokesman Miguel Gonzalez said in an e-mail, "we have had real interest from a number of investors whose combined investments total in the millions."

Hirson also expressed confidence in the city's investment plan, deeming it "one of the best that I've seen for simplicity."

Victorville's Economic Development Director Keith Metzler said via email that while the "turnaround time is difficult to pinpoint," he believes that the "12-month time-frame to secure the \$25 million is certainly achievable in phases. ... We currently have a short list of clients totaling \$5 million and are close to closing on these."

Even if the city is successful in getting 50 families to invest through the program, don't expect a flood of immigration to the city.

"If we do 50 cases and we get one or two who move to Victorville, I'd be surprised," Hirson said.

As limited partners in the regional center, Hirson said, the investors actually can't get too involved. In his experience, he said most are essentially passive investors and may not even ever come to Victorville.

That's one reason Hirson's firm, Fragomen, is developing a proprietary software system specifically for the EB-5 program, so that all involved parties have the ability to track the process and create reports at the appropriate levels.

The only hiccup in the future of the program, Hirson acknowledged, is the limbo status of EB-5's renewal, which threatens to shelf any pending investor applications.

Since its inception, Hirson said, Congress has renewed the program in five-year increments. But last September, EB-5 was only renewed until March of this year. In March, Congress extended it again — until this September.

Having been involved in the ground-floor discussions that got EB-5 on the books to begin with, Hirson said he has confidence that the program will be renewed.

In fact, he believes the support may even be there to make it permanent, which he said will help demonstrate confidence in the program so that it can continue to grow.



PHOTO COURTESY OF THE INLAND GROUP QUAN FAMILY: The Quan family of Hunan Province, China, sign papers to be the first Victorville Regional Center EB-5 investors. The EB-5 program is a new program allowing prospective immigrants special visas into the United States if they can contribute to new businesses. First row (seated): Chaoyang (Brian) Quan, Mrs. Quan, Mr. Quan, Buck Johns, president of Inland Development Inc. Second row (standing): James Guan and Paul Tecson with Inland, David Hirson, immigration attorney with Fragomen, Tom Barnett and Shelly Lee with Inland.