

# EB5 StateCenter

(Affiliated with USCIS approved DC Regional Center)

## EB-5 Visa Opportunity

**Construction of two private office buildings pre-leased  
for 20 years by the State of Maryland**



Project Overview - Confidential(c) (7/12/2011)



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# EB-5 Investor Visa Program As Path To U.S. Residency

- Residency cards issued to Applicant, spouse and children (under age 21).
- No English language requirement.
- No minimum education requirement.
- No management experience.
- Allows for dual-citizenship.
- Live, work or retire anywhere in the United States.
- Investment capital can come from gift, loan, property sale, business ownership or any lawful activity.
- Eligible for U.S. citizenship (U.S. passport) in only 5 years.
- 10,000 visas reserved each year for EB-5 immigrant investor program.
- No visa “backlogs” (visas are currently available).
- One of the fastest ways to obtain residency in the U.S. (approximately 12 months)

# Presentation Outline

- About The Region and Baltimore
- About The State Center Project
- EB5 Visa Requirements
- DC Regional Center
- Targeted Employment Area (TEA)
- Investment in EB5 StateCenter
- Job Creation
- Next Steps

# Baltimore, Maryland - Washington DC Regional Economy

- The 4<sup>th</sup> largest consumer market in the United States,
- State of Maryland has the country's highest median household income\*
- Home to:
  - Cities of Baltimore and Washington DC
  - Capital of the United States
  - Headquarters of Federal Government and Agencies
  - 3 international airports.
  - 5 of America's top 25 universities (ranked by U.S. News World Report 2010)
  - Many Fortune 500 and 1000 companies.



\* U.S. Census Bureau, 2008.

# State of Maryland's Baltimore Office Complex "StateCenter"

- Office complex is 28 acres of land
- Located in downtown Baltimore City (largest city in State)
- Owned by the State of Maryland.
- Two office buildings are home to:
  - 16 state government agencies.
  - 3,500 state government employees.
- The State has determined that both office buildings (created in 1950) must be repaired or replaced.
- After 5 years of study, the State has decided to replace both buildings.



# State of Maryland Awards Project Contract To PS Partners

- PS Partners agrees to build two new office buildings for the State
- Buildings to be located on State owned land
- PS Partners agrees to finance construction and own the buildings
- State agrees to be anchor tenant for 20 years
  - Maryland holds AAA/Aaa credit rating (1 of only 8 states to hold the highest credit rating)



## Governor Martin O'Malley Announces Board of Public Works Approval of State Center Leases

**ANNAPOLIS, MD (July 28, 2010)** – Governor Martin O'Malley announced today that by a unanimous, 3-0 vote the Board of Public Works approved long-term leases at two new office buildings to be built as part of the redevelopment of State Center in Baltimore City. The state commitment to lease office in the redevelopment provides the private sector development team with the ability to seek the private financing necessary to build the first phase of the project.

"The Board of Public Works took a big step today in shaping Maryland's future and bringing thousands of jobs to the heart of Baltimore City," said Governor O'Malley. "The State Center project will revitalize an area in the heart of the City by mixing retail, residential and office space close to our transit stations and it will be done in a way that will connect, not divide, nine nearby communities. This kind of smart development will be a model for what we can do near other major transit stations throughout the state."

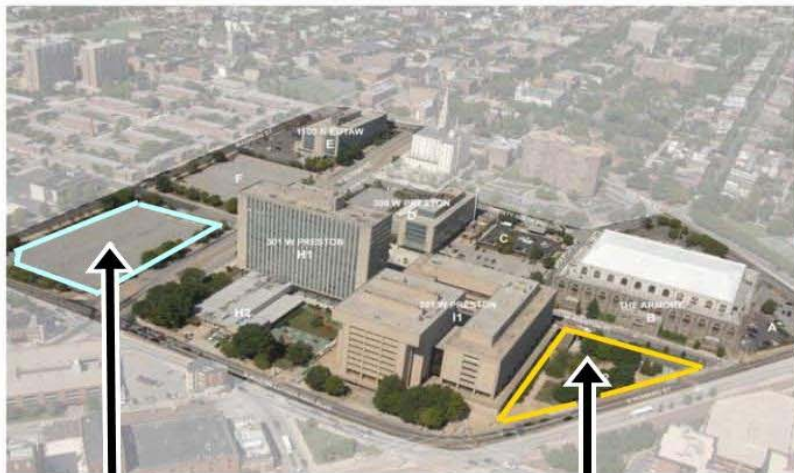
The \$215 million Phase One development at State Center will include two new office buildings and a parking garage. It will form a green, walkable community adjacent to Metro, Light Rail and MARC transit stations. Phase One will include 500,000 square feet of office space and 70,000 square feet of street-level retail space, including a grocery store that has been a priority for the surrounding communities for years. Over the next 20 years this first phase of the State Center redevelopment will generate more than \$200 million in state and city taxes and another \$30 million in lease payments to the State of Maryland.

The entire State Center redevelopment, a five-phase, 15-year plan, will create 9,403 jobs during construction and 5,439 permanent, private-sector jobs when the project is complete. An additional 4,862 indirect and induced jobs will be added upon the project's completion.



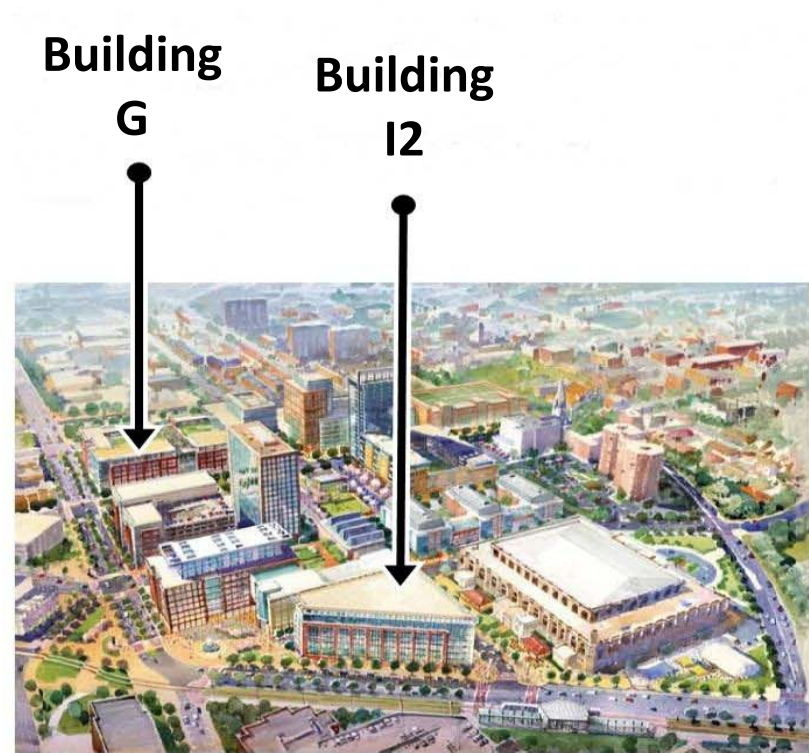
# Expansion Plan

- Build two new office buildings on available government land (Building G, Building I2)



**Building  
G**

**Building  
I2**



# Building Construction

## Estimated Time

- 33 months estimated construction.
- Projected start in December 2011.

## Estimated Cost

- \$230 million to construct and deliver the Office Buildings.

## Funding Sources

- Public Bond (State of Maryland): \$28 million
- EB5 Loan: \$10 million to \$65 million
- Bank Loan (“Senior Debt”): Up to \$190 million



**EB5 StateCenter**

Affiliated with DC Regional Center



# Key Construction Considerations

## Suffolk Construction Company -- General Contractor

- Founded in 1982
- Ranked as one of the nation's leading contractors



To reduce construction risk, contract includes:

### Contractor Guaranteed Maximum Price Contracts

- Required to construct and complete the project “on time and on budget;”
- “Guaranteed Maximum Price” contract; and

### Contractor Penalty Payments

- Any project delay caused by GC results in severe financial penalties; and

### Performance Bond

- Issued by national insurance company that guarantees construction will be completed

# State Center has strong government support

- Past and present Maryland Governor
- Three consecutive Baltimore Mayors
- Baltimore City Council
- Maryland General Assembly Budget Committees
- Maryland Board of Public Works
- Maryland Department of Transportation



# Basic EB5 Visa Requirements

(Regional Center Program)

**INVESTMENT:** Applicant must make a capital investment of \$1 million and prove the capital comes from lawful activities (source of funds)

- Investment reduced to \$500,000 if project located in a Targeted Employment Area (TEA)

**OWNERSHIP INTEREST:** Into a new commercial enterprise (Company) and receive an ownership interest in that new Company that is “at risk” and sustained;

- USCIS “at risk” Rules Mean: No Guaranteed Profits, No Redemption Agreement, and 5-Year minimum investment hold period.

**COMPANY LOANS:** Company must then invest or lend the EB5 funds to job creating businesses in the Regional Center (and within the TEA)

**CREATE JOBS:** These businesses must use the EB5 funds to create 10 full-time jobs for American workers (Indirect Jobs) within two years for EACH of EB5 investors.

# Satisfying The EB5 Visa Requirements

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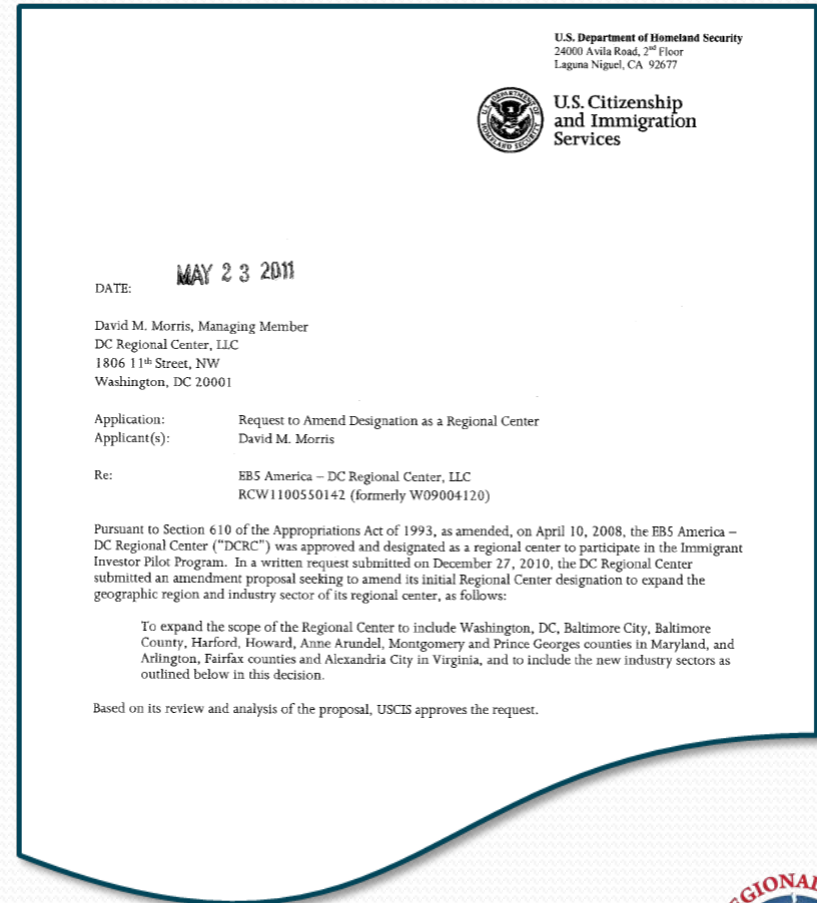
# “Affiliated” With USCIS Approved “DC Regional Center”

- **DC Regional Center**

- Approved by USCIS on April 10, 2008
- Expanded by USCIS on May 23, 2011
- David Morris is Managing Member

- **EB5 State Center**

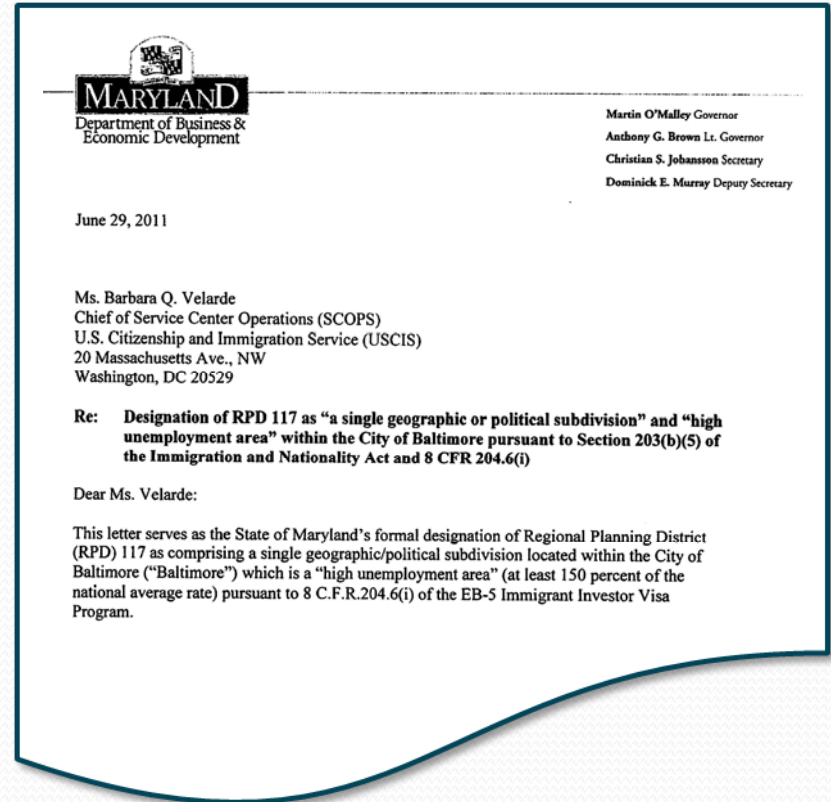
- “Affiliated” with DC Regional Center



# EB5 State Center is located in TEA Qualified \$500,000 investment

- EB5 law requires \$1 million investment.
- \$500,000 investment allowed if project is located in Targeted Employment Area (TEA).
- TEAs are rural areas, or high unemployment areas certified by the State.
- On June 29, 2011, State issues TEA certification letter to the USCIS.

EB5 StateCenter is \$500,000 investment



**EB5 StateCenter**

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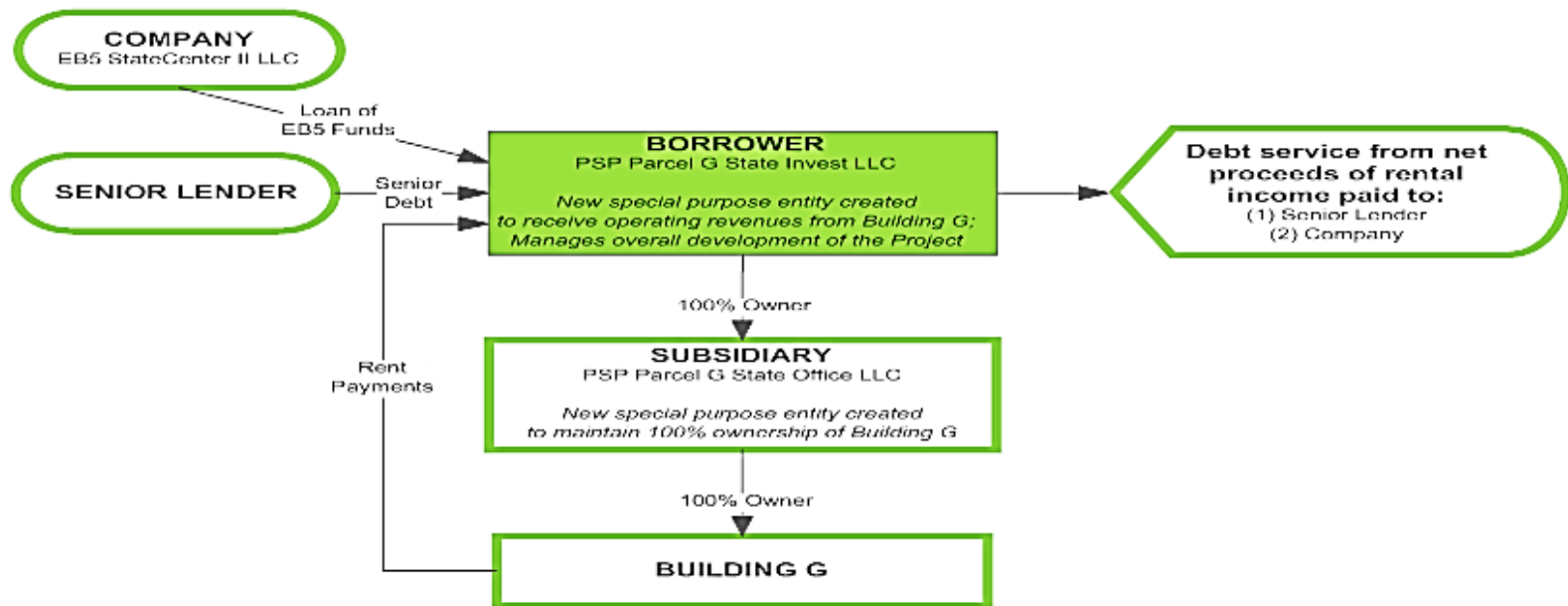


# \$500,000 Investment And Receive Ownership Interest In Company

- Applicant makes \$500,000 investment (plus costs) in Company for a minimum period of 5 years and receives:
  - Ownership interest in Company and “Certificate Of Unit Ownership;”
  - Right to share in profits;
  - Quarterly reporting about construction, job creation and other news;



# EB5 makes construction loan to State Center



# Job Creation

- 2,216 new jobs created by development of two new buildings.
- Based on USCIS recognized “RIMS II” input/output model.
- Utilizes “Expenditures” (dollars spent) to calculate resulting job creation.
- Safety net of +900 jobs (more than needed by EB5 investors)



## Governor O'Malley Unveils Plans for First Phase of State Center Redevelopment

*Phase One of redevelopment to create new office and retail near transit hub and support 1,200 construction jobs and attract another 800 permanent jobs in the heart of Baltimore City*

**BALTIMORE, MD (July 27, 2010)** – Joined by local officials, construction workers, community leaders and others today, Governor Martin O'Malley announced plans for the first phase of the landmark State Center redevelopment project in the heart of Baltimore City. Pending Board of Public Works approval tomorrow, the State will lease 500,000 square feet of newly developed office space in the first of two new buildings to be built on the 28-acre site by a state-selected private development team. The five-phase, 15-year redevelopment is the culmination of six years of planning, and is expected to bring nearly 10,000 jobs during the construction phase and more than 5,400 permanent, private-sector jobs to the heart of Baltimore City when the project is complete, in addition to more than 4,800 indirect and induced jobs upon the project's completion.



# SUCCESS STRATEGY

## Experienced Management

Operated by a seasoned investment and immigration team

## Proven Job Creation

Based on USCIS recognized "RIMS II" input/output model  
Utilizes "Expenditures" to calculate Indirect Job Creation  
Independently verified by EB5 economist

## Targeted Employment Area

Project is located in a TEA, reducing the investment to \$500,000 for each investor

## Successful Development Partners

Project partners are successful, national leaders in the industry of infrastructure investment and community redevelopment.

## Project Visibility

Significant visibility as 85% of the office complex will be leased by the State, redevelopment involves industry leaders and bond funds, strong media coverage.

## Company Loan Structure Creates Clear Exit Strategy

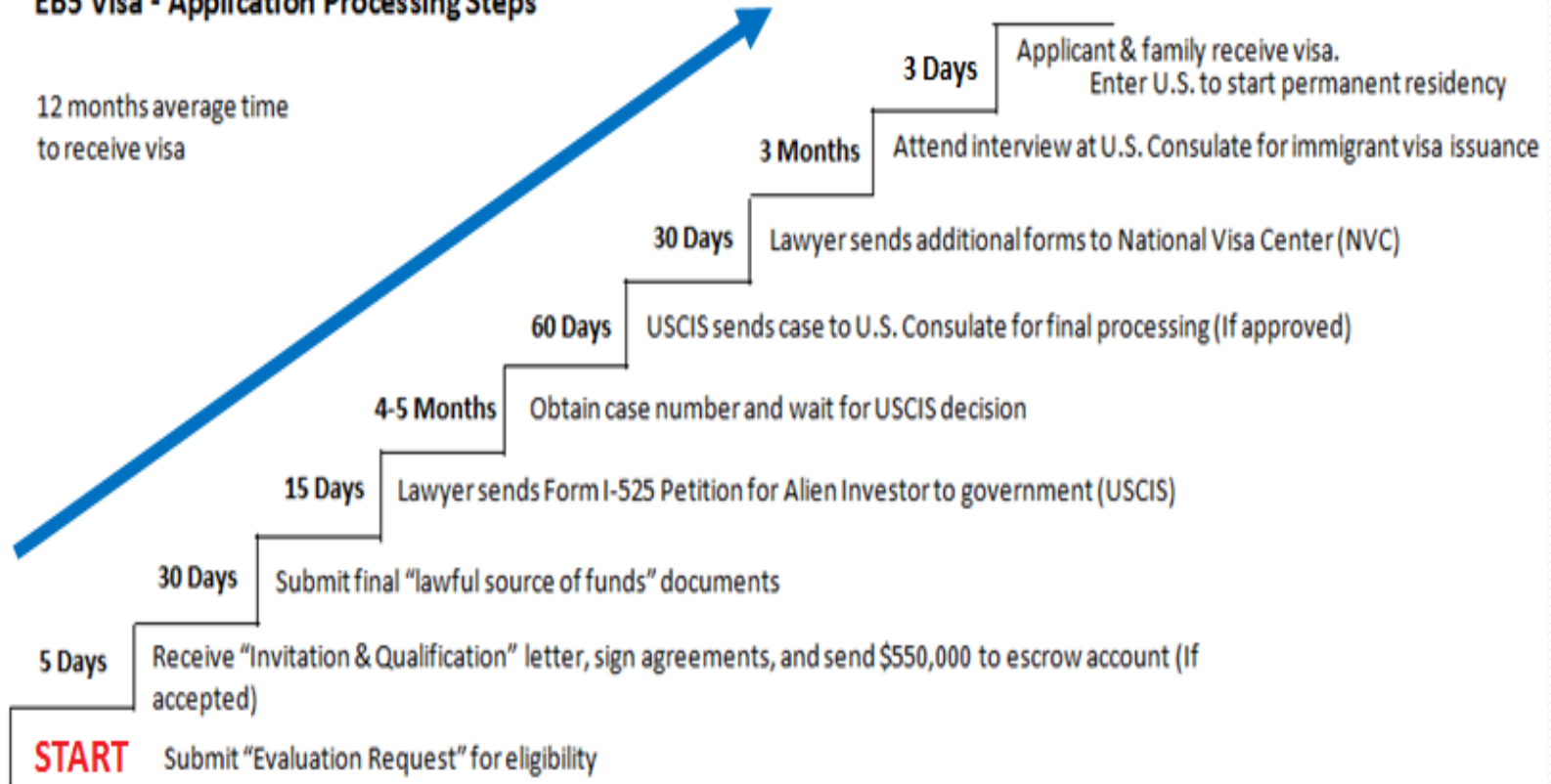
Loan by Company creates planned exit strategy.



# NEXT STEPS

## EB5 Visa - Application Processing Steps

12 months average time to receive visa



# Current & Previous EB5 Projects By David Morris

- EB5 America - Sugarbush LP
  - 38 (Thirty-Eight) I-526 Approvals
- EB5 America – O Street Market LP
  - 11 (Eleven) I-526 Approvals
- EB5 Ports Baltimore LP\*
  - 3 of 40 I-526 Submissions
  - \*Public-Private Partnership with the State of Maryland



# SUMMARY - EB5 Visa Opportunity

- **Investment**

- StateCenter I, LLC will provide up to \$65 million loan to that will be used to finance the design, construction and development of two new office buildings located on State-owned land in Baltimore, Maryland. Construction of the Office Buildings represents the Phase I activity of a larger multi-year, multi-phase plan established for the complete redevelopment of the State Center Office Complex.

- **Job Creation**

- 2,216 total new jobs for EB5 purposes (Indirect)

- **Location**

- State Center is located within a Targeted Employment Area (TEA) designated by State in June 2011
- USCIS approved “DC Regional Center” amended it’s scope to include Baltimore and State Center investment.

- **EB5 Team**

- 100% success rate for all EB5 petitions with investors from 20 different countries

- **Structure**

- Company makes a series of multi-year, term construction loans

- **Max EB5 Investors**

- Only 130 Investors May Be Accepted
- Each investor must purchase a Ownership Unit for \$500,000 (plus costs)

- **Investor Return and Exit**

- Income opportunity derived from interest payments by Borrower
- Exit opportunities for return of capital after 5 years