

Investing in Portland's Future



PORTLAND DEVELOPMENT COMMISSION

**REQUEST FOR EXPRESSIONS OF INTEREST (REI):
EB-5 REGIONAL CENTER FORMATION
DEADLINE: JULY 16, 2010 BY 3:00 PM (PACIFIC TIME)**

1. Executive Summary

Through this Request for Expressions of Interest (REI), the **Portland Development Commission (PDC)**, the urban renewal agency for the city of Portland, Oregon (City) is requesting Expressions of Interest (EOI) for the City and PDC to work with a business entity in submitting an application to create an EB-5 Regional Center within the boundaries of the City. The City's support would be in the form of endorsement and collaboration to develop the EB-5 Regional Center application's business plan and geographic boundary selection that would attract investment, as well as further the goals and policies of the City.

Those interested in submitting an EOI in response to the REI should, at a minimum, address the general requirements outlined below. Responses – by mail or email (only) – are due at the PDC offices no later than the deadline day and time listed above and addressed to:

Peter Englander
Portland Development Commission
222 NW Fifth Avenue
Portland, Oregon 97209-3859
Phone: 503-823-3347
E-mail: EnglanderP@pdc.us

See additional submittal requirements and instruction in Section 8 below.

2. About the Portland Development Commission

Created by a vote of Portland citizens in 1958, PDC serves as the economic development and urban development agency for the City of Portland, Oregon. In 2008, PDC celebrated its 50th anniversary. Throughout the past five decades, PDC has played a vital role in making Portland one of America's most livable cities. Our mission is to achieve Portland's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant central city, a strong regional economy and quality jobs and housing for all. Today, PDC is internationally recognized as a model for urban renewal success and sustainable practices.

In carrying forward our mission over the years, PDC has played a key role in some of Portland's most important landmarks, including Pioneer Courthouse Square, Pioneer Place, the Lan Su Chinese Garden, Gov. Tom McCall Waterfront Park, the Eastbank Esplanade, and Airport, Interstate and Transit Mall-Clackamas MAX Light Rail. In neighborhoods throughout the City, PDC has revitalized main streets and assisted over 14,000 homeowners repair or purchase their homes over the past 30 years, and has provided financing for over 2,000 units of affordable rental housing annually.

3. Summary of EB-5 Program

1. The [EB-5 program](#) is administered by the U.S. Citizenship and Immigration Services (USCIS) in the Department of Homeland Security.
2. The program annually makes 10,000 immigrant visas (green cards) available to qualified individuals seeking permanent U.S. resident status on the basis of their creating new jobs benefiting the U.S. economy by investing in new or financially troubled commercial enterprises.
3. Visas are adjudicated under two programs; the EB-5 Basic Program and the EB-5 Regional Center Pilot Program (Regional Center).
4. Minimum investment within a Regional Center is \$1 million. The minimum investment required is reduced to \$500,000 if business is located in a Targeted Employment Area (TEA), defined as a geographic area where the unemployment rate is 150% of the national average rate. The State of Oregon (State) is expected to be the USCIS-designated TEA determinant. There can be one or more TEA districts within a Regional Center.
5. Investment within Regional Centers must create ten (10) direct or indirect new Full Time Equivalent (FTE) jobs

Note that all documents, programs and websites linked to other sources on the Internet can be found the Appendix of this REI.

4. EB-5 Program History and Context of this REI

In 1990, the United States Congress created the fifth employment based preference, EB-5, as part of a general overhaul of the legal immigration system. The EB-5 program makes lawful permanent residence (Green Cards) available to qualified individuals seeking permanent U.S. resident status on the basis of their creating new jobs benefiting the U.S. economy by investing in new or financially troubled commercial enterprises. The program requires a minimum investment of \$1 million per visa, unless the investment is in a TEA where the unemployment rate is 150% of the national average rate. The minimum investment then requires \$500,000 per visa. [Business Oregon](#), the State's economic development agency, is in the process of requesting approval that the Business Oregon economist be the official responsible for designating TEA districts. Business Oregon is currently developing methodology determining how geographic area would qualify for the TEA designation.

There are two distinct EB-5 pathways for an alien investor to gain lawful permanent residence, the Basic Program and the Regional Center Pilot Program. Both programs require that the alien investor make a capital investment of either \$500,000 or \$1,000,000 (depending on whether the investment is in a TEA or not) in a new commercial enterprise located within the United States. The new commercial enterprise must create or preserve ten (10) full-time equivalent jobs for qualifying U.S. workers within two (2) years of the alien investor's admission to the United States as a Conditional Permanent Resident (CPR). When making an investment in a new commercial enterprise affiliated with a USCIS-designated regional center under the Regional Center Pilot Program, an alien investor may satisfy the job creation requirements of the program through the creation of either direct or indirect jobs.

"Direct jobs" are those jobs that establish an employer-employee relationship between the newly established commercial enterprise and the persons that they employ. **"Indirect jobs"** are the jobs held by persons who work outside the newly established commercial enterprise. For example, indirect jobs include employees of the producers of materials, equipment, and services that are used by the commercial enterprise. There is also a sub-set of indirect jobs that are calculated using economic models that are known as induced jobs. **"Induced jobs"** are those jobs created when direct and indirect employees go out and spend their increased incomes on consumer goods and services.

Designation as a Regional Center can expedite the approval of the individual's investment in a specific qualified commercial venture by saving 5-6 months in the approval process and eliminate duplication of required submittals to the USCIS.

The EB-5 program annually makes 10,000 immigrant visas (green cards) available to qualified individuals seeking permanent U.S. resident status on the basis of their creating new jobs benefiting the U.S. economy by investing in new or financially troubled commercial enterprises. Of the 10,000 Visas made available annually, 3,000 Visas are reserved for Regional Center Pilot Program applicants.

The Mayor's Office and the PDC see the Regional Center program as a key opportunity to attract investment that can further the City's objectives of creating jobs, housing, educational, cultural and entertainment opportunities for its citizens. PDC has the ability to invest in projects city-wide, though it mostly invests within [eleven urban renewal areas](#) funded from Tax Increment Financing (TIF). **PDC DOES NOT, HOWEVER, HAVE FINANCIAL RESOURCES AVAILABLE FOR INVESTMENT IN THE CREATION AND MANAGEMENT OF A REGIONAL CENTER. THEREFORE, THIS REI IS SOLELY FOR COLLABORATION ON A REGIONAL CENTER APPLICATION.**

5. Regional Center USCIS application process

1. A clear delineation of the regional center's geographic scope
2. A detailed description of how capital investment will create qualifying jobs, either directly or indirectly. This analysis must be supported by economically and statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported (if any), and/or multiplier tables.
3. The specific industries or economic activities in which investors in the regional center may invest
4. A detailed economic report showing how investments in each economic activity will create or save ten (10) direct or indirect jobs per investor
5. Sample corporate documents such as a subscription agreement, operating agreement, and offering memorandum
6. A detailed marketing plan and budget
7. A regional center must also indicate whether it plans to allow investments in targeted employment areas (TEAs) within the regional center (if eligible)

6. Responses to the REI should include the following

1. Basic EB-5 business plan outline including size and objectives of a proposed Regional Center, and the anticipated nature of investments.
2. Philosophy, methodology, experience and expectations of collaborating with the City and PDC.
3. Consideration of City and PDC policy goals and objectives into the business plan, including the City's 2009 "[Economic Development Strategy](#)," PDC urban renewal area projects and "[2010 Strategic Plan](#)," City of Portland and Multnomah "[County Climate Action Plan 2009](#)," and Metro's "[2040 Growth Concept](#)."
4. Philosophy, experience and financial capabilities in the creation and ongoing operation of a Regional Center.
5. Philosophy, experience and financial capabilities to market to and attract foreign investors.
6. Proposed structure and administration of the Regional Center entity, including members of the applicant's team of professionals and consultants, the proposed entity's role in the management of individual investments and business model.
7. Philosophy and experience investing in Portland-based companies or Portland real estate.
8. Primary point of contact for entity responding to this REI (including name, phone and fax numbers, and mailing and email addresses).

7. Submittal Instructions, Requests for Clarification and Changes to this REI

In an effort to reduce the amount of paper used as part this REI, all responses must be submitted either **by email or mailed on a compact disk or flash drive**. Responses should be in either Adobe Acrobat (.pdf) or Microsoft Word (.doc) format and submitted to the point of contact listed in Section 1 of this REI. PDC has not set a specified page limit for responses; however, we expect to receive responses that are thorough, but also concise and to the point without unnecessary content. PDC expects all responders to use their best judgment in this regard.

Questions about any matter contained in this REI should be emailed to Peter Englander (<mailto:EnglanderP@pdc.us>) no later than ten (10) business days prior to the deadline of this REI. All material changes or clarification of any matter contained in this REI will be published in the form of a written addendum to this REI at this location on PDC's website: <http://pdc.us/eb5>. PDC may make a courtesy effort to notify interested parties that an addendum has been published, but PDC is under no obligation to do so. As such, parties interested in this REI should refer frequently to the website for this REI. PDC may also load supplemental information about this project to that location on the web as well.

8. Summary of key criteria in reviewing responses

Criteria PDC will use when reviewing responses to this REI include, but are not limited to, the following:

1. Familiarity with the economy of Portland, Oregon and investment in the Portland region
2. Background and experience with the creation and ongoing operation of Regional Centers
3. Ability to attract foreign investment
4. Flexibility in working with others who may want to bring investors or investments to the Regional Center
5. Experience in collaborating with governmental entities in public-private partnerships
6. Background and experience investing in Portland-based companies and/or Portland real estate.
7. Synchronization of business plan outline in recruiting and aligning EB-5 investors for investment projects that align with the City of Portland's 2009 "Economic Development Strategy," PDC urban renewal area projects and Strategic Plan, the City of Portland and Multnomah County's "Climate Action Plan 2009," and Metro's "2040 Growth Concept" (**See the Appendix of this REI for hyperlinks to these documents**)

9. Memorandum of Understanding

It is anticipated that one or more applicants will be chosen and asked to collaborate with the Portland Mayor's Office and PDC to create a Regional Center application. A non-binding Memorandum of Understanding (MOU) would be negotiated, outlining roles and responsibilities of each party. Though the MOU is non-binding, it represents good faith commitments among the parties to expediently proceed with an application for a Regional Center within the boundaries of the City of Portland, as well as the ongoing role of the Mayor's Office and PDC. Elements of the MOU may include:

1. Role of each party in the creation of the Regional Center business plan and management of the Regional Center if awarded by USCIS
2. Expected private financial investment of the Regional Center applicant for organizational formation and ongoing operation, the Regional Center application, and

10. Terms of this REI

This REI is not a request for competitive proposals and is not subject to the Oregon Public Contracting Code (ORS 279). This REI in no way obligates PDC to enter into a relationship with any entity that responds to this REI or limits or restricts PDC's right to enter into a relationship with an entity that does not respond to this REI. In its sole discretion, PDC may pursue discussions with one or more entities responding to this REI or none at all. PDC further reserves the right, in its sole discretion, to cancel this REI at any time for any reason.

Information provided to PDC in response to this REI will become the property of PDC and will be subject to public inspection in accordance with the Oregon Public Records Law, ORS 192.410, et seq. If an entity responding to this REI believes that a specific portion of their response constitutes a "trade secret" under Oregon Public Records Law (ORS 192.501.2) and is, therefore, exempt from disclosure, the entity must clearly identify that information specific information as a "trade secret." Identification of information as a "trade secret" does not necessarily mean that the information will be exempt from disclosure. PDC will make that determination based on the nature of the information and the requirements of the Oregon Public Records Law.

Appendix - Documents and Sites Referenced in this REI (in order of reference)

- Department of Homeland Security, EB-5 Information: www.uscis.gov/eb-5centers
- Business Oregon: www.oregon4biz.com
- PDC's Urban Renewal Areas and Projects: www.pdc.us/currentwork/
- City of Portland's 2009 "Economic Development Strategy": www.pdxeconomicdevelopment.com
- PDC's 2010 "Strategic Plan": www.pdc.us/pdf/pubs_general/Strategic-Plan-2010.pdf
- City of Portland and Multnomah County's "County Climate Action Plan 2009": www.portlandonline.com/bps/index.cfm?&c=49989
- Metro's "2040 Growth Concept": www.metro-region.org/index.cfm/go/by.web/id=25104
- Research paper on the EB-5 program performed by PDC staff: www.pdc.us/eb
- This REI and Additional Documentation: www.pdc.us/eb5