

Randall Davis Galleria tower rising on foreign investment

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Jennifer Dawson

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Houston condominium developer [Randall Davis](#) hopes to raise \$40 million for a proposed high-rise in the Galleria area using a federal program that offers foreign investors green cards in exchange for their greenbacks.

The U.S. Citizenship and Immigration Services administers the Immigrant Investor Program, also known as EB-5, which sets aside permanent residency cards for investors who create jobs and promote economic development. Houston-based DC Partners, a venture formed by Davis and local businessman [Roberto Contreras](#), received approval last month from the immigration agency for an EB-5 regional center.

The EB-5 program immediately grants conditional residency status to foreign nationals who invest in a project slated to create or preserve 10 full-time jobs within two years. The residency status also is given to the investor's spouse and children under the age of 21, allowing them to live, work and go to school in the U.S.

After two years, if the program requirements are fulfilled, the applicant's residency status can be changed from conditional to permanent. After another three years, the person can apply for full citizenship.

DC Partners, which is doing business as Houston EB-5, is looking for 40 foreign investors to buy a stake in a development partnership for \$1 million each, the minimum federal requirement for the program in high employment areas such as Houston. They, in turn, would share in the project's profits.

It has been certified through a consulting firm that the proposed residential project would create 400 direct and indirect jobs, 10 for each investor, Davis said.

The development, a condo tower known as Astoria, will have 23 stories and 55 condos for sale. Much of the art deco modern building will consist of 2,700-square-foot units; four per floor, Davis said.

Designers at **PageSoutherlandPage** and GT Leach Construction, general contractor for Astoria, worked on a preliminary plan for the building, Davis said.

The design may have to be tweaked based on the shape of the project site, which has not yet been identified.

The high-rise will cost \$35 million to \$40 million to build, not including the cost of land, architecture, marketing and other soft costs, Davis said.

Once a site is purchased, the developer will begin marketing residences to the general public, just like with a traditional condo project, said [Acho Azuike](#), managing director of Houston EB-5.

‘Direct path to a green card’

Contreras pursued the EB-5 idea and took it to developer Davis, said Azuike, who is vice president of real estate at St. Christopher Holdings, Contreras’ Sugar Land-based company.

Contreras is very familiar with Davis’ work because he lives in a condo in the Cosmopolitan, a residential building Davis developed several years ago in the Galleria area.

Contreras, former president and CEO of Cosentino North America, was out of the country and not available for comment.

Houston EB-5 is one of several EB-5 regional centers that have been established in the Houston area.

EB-5s are a popular economic development tool, said [Craig Richard](#), chief economic development officer with the **Greater Houston Partnership**. The programs do what they’re designed to do, which is attract foreign direct investment, he said.

The programs are popular with investors from China and Mexico. More than 500,000 Chinese have investable assets of \$1.5 million-plus, and almost 60 percent are considering emigrating, have begun the process or have emigrated, according to a study released last year by China Merchants Bank and Bain & Co.

“We believe Houston can be a very successful market for (EB-5s) because of our international community,” Richard said.

As an example of foreign interest in Houston outside the EB-5 program, the GHP tracked more than \$660 million in foreign direct investment in 2011 from 37 different companies, Richard said.

The EB-5 program is a popular alternative to the tedious process of obtaining a residency card, Azuike said.

“This is a direct path to a green card,” he said. “There’s definitely a lot of interest.”

It took nearly two years and hundreds of thousands of dollars paid to attorneys and consultants for Houston EB-5 to obtain government approval for the program, Davis said.

The development partnership wants to start construction on Astoria this year and could do so after securing the first 15 to 20 foreign investors, Davis said.

Houston EB-5 also hopes to duplicate the development model for other projects, said Azuike, such as a high-end hotel topped with luxury condominiums.

[Click here](#) to see some of [Randall Davis](#)' other projects.

http://www.bizjournals.com/houston/print-edition/2012/01/27/randall-davis-galleria-tower-rising-on.html?ana=e_ph&page=all