

Mayor proposes green jobs investment program for Austin

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Saying Austin can become a magnet for investment in green energy jobs, Mayor Lee Leffingwell unveiled plans Monday to take part in a federal program that lets foreign investors earn green cards in exchange for creating jobs.

Flanked by a host of Austin elected officials, including state Sen. Kirk Watson and U.S. Rep Lloyd Doggett, Leffingwell said he will propose that the city apply for designation as an EB-5 Regional Center through the U.S. Citizenship and Immigration Services. The EB-5 designation refers to a visa option offered by the federal government for some foreign investors.

By gaining the designation, the city could steer investors to endeavors like solar power projects, battery research and water conservation, Leffingwell said.

"The scale of what we have here could be huge," he said. "We have the potential to raise tens of millions of dollars, maybe more, and create thousands of jobs."

Leffingwell spoke in front of the Sol (for Solutions Oriented Living) housing development, an East Austin subdivision whose homes boast a variety of energy-efficient and renewable features.

The development is an example of what the program would encourage, officials said.

"I feel we can be leading on the clean tech economy, running that clean tech economy, or we can be run over by it," Doggett said. "And the focus and the need, as with so many new technologies, is to find the capital, to find the resources."

Under the program, foreign investors are eligible for temporary residency for themselves, spouses and unmarried children younger than 21 if federal officials sanction their investments. They have to show they'll create 10 jobs for every \$500,000 in a rural or high-unemployment area and for every \$1 million elsewhere. If officials find that hasn't happened in two years, the investors don't get green cards.

The regional center can either be a private enterprise or a regional governmental agency with a targeted program, such as the one that Leffingwell is proposing.

State Rep. Eddie Rodriguez, D-Austin, said that Austin is not "re-inventing the wheel" with the program, noting that there are more than 200 regional centers nationwide and several in Texas, including El Paso, Houston and Dallas.

The Dallas program has created about 2,000 jobs and raised more than \$100 million in investments, officials said.

"Austin is one of the leading cities across the country for green jobs and green technology — but to maintain this status, we must continue to find a variety of resources for investments," Rodriguez said. "I believe this will be a win-win for the Central Texas economy as well as for our environment."

The first step, Leffingwell said, is to pass a City Council resolution authorizing the city to file an application with U.S. Citizenship and Immigration Services. Leffingwell said he would put the resolution before the council soon.

Russ Becker, general contractor for the Sol development, said he felt the initiative would spur more green projects like his.

One of Becker's investors is a Chinese restaurant owner in Austin who is interested in the program, he said.

"We've actually done quite a bit of research around the country on various EB-5 programs that she could have some of her family in China invest," he said.

"Of course, if you can invest money here and get a green card for your family, that's important," he added.

The program, which has grown recently, has attracted more than \$2.2 billion nationwide, according to immigration services.

About \$1 billion of that came in during the past fiscal year, according to the Chicago-based trade group Association to Invest In the USA. The money has funded shopping malls, hotels, wind farms and ski resorts.

Regional centers — authorized to pool foreigners' money into equity stakes or loans for approved projects — have grown to 218 from 11 in 2007, according to immigration services. Most EB-5 immigrants get visas through regional centers. The agency issued 2,364 EB-5 visas in the first three months of this fiscal year, up from 158 in all of fiscal 2005.

But it has sparked conflict from foreign investors claiming a lack of oversight.

Businesses that solicit EB-5 money should be "very strictly" monitored, said Edward C.Y. Lau, a San Francisco attorney. He represents three Chinese citizens who say in a lawsuit that they lost \$3 million they gave to developers for what was advertised as an EB-5 project for a Chinese

restaurant in San Bruno, Calif. Their money vanished, they say in the suit against the developers, and the restaurant wasn't built.

"It is a good program," Lau said. "That doesn't excuse the fact that there may be foreign parties investing in projects that are improper."

Leffingwell said that a community advisory board will identify specific projects for investment, then a capital investment firm will be hired to match investors with specific jobs.

Becker said that there have been some problems around the country with fraud and various issues.

"I think that having the public-private partnership legitimizes it a little bit and makes people a little more comfortable," he said. "A million bucks is a million bucks, no matter if it's here or wherever. So I think that's positive."

<http://www.statesman.com/business/mayor-proposes-green-jobs-investment-program-for-austin-2263402.html>