

# LOS ANGELES CITY PLAZA, LP

*A California Limited Partnership*

## ACTUAL BUSINESS PLAN

*Pursuant to 8 CFR §204.6(j)(4)(B) and Matter of Ho*

September 2015



Sponsored by:

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**Contents Private and Strictly Confidential**

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## 1.0 EXECUTIVE SUMMARY

### 1.1 Definition of Terms

**EB-5 Investor:** A prospective purchaser of a Unit in the EB-5 Limited Partnership; an EB-5 Investor may also be known simply as an **Investor**. If an Investor purchases a Unit, such Investor shall thereafter be referred to as an EB-5 Limited Partner.

**EB-5 Limited Partner:** A limited partner in the EB-5 Limited Partnership, with certain rights, powers, and duties normally granted to limited partners under the Uniform Limited Partnership Act, who is admitted to the limited partnership in accordance with the EB-5 Immigrant Investment Program and USCIS policy memoranda and Administrative Appeals Office precedent decisions governing the EB-5 Program. An EB-5 Limited Partner may also be known simply as a **Limited Partner** or an **EB-5 Investor**.

**EB-5 Limited Partnership:** *Los Angeles City Plaza, LP (“LACP”)*, a California Limited Partnership, is the New Commercial Enterprise, Owner and Job Creating Entity that will aggregate EB-5 investor funds and invest it in the Project for job-creating purposes. LACP consists of CIRC as its General Partner and each of the foreign investors who purchase a Unit in the Limited Partnership as its EB-5 Limited Partners. The EB-5 Limited Partnership may also be known simply as the **Partnership**.

**EBIDTA:** EBIDTA is an acronym for “Earnings Before Interest, Depreciation, Taxes, and Amortization”. Interest expense is a function of leverage, not operations; Depreciation expense is an accounting convention, not an operational indicator; Taxes are considered "non-operational" in a sense because they can be affected by a variety of accounting and tax conventions; and Amortization expense is another accounting convention dealing with the amortization of intangibles. Therefore, EBIDTA is a much stronger indicator of ongoing, operational strength than Operating Cash Flow, Free Cash Flow, Net Operating Income, or Net Income.

**General Partner:** *California Investment Regional Center, LLC (“CIRC”)*, a California Limited Liability Company, will manage the Partnership’s business activities on behalf of its Limited Partners.

**High Unemployment Area:** A geographical area which has experienced unemployment of at least 150 percent of the national average rate. See INA § 203(b)(5)(B)(ii).

**Immigration Act:** The Immigration Act at 8 USC 1153(b)(5)(A)(i)–(iii), (B)(i)–(iii), (C)(i)–(iii) and (D).

**Job Creating Entity (“JCE”):** In this Project, the Job Creating Entity, New Commercial Enterprise, EB-5 Limited Partnership and Owner is the same entity, namely LACP. The Owner is the business operation creating direct, indirect, and/or induced employment in order to meet job creation requirements. The JCE is the target organization for EB-5 invested funds, owns the Project.

**New Commercial Enterprise (“NCE”):** In this Project, the Job Creating Entity, New Commercial Enterprise, EB-5 Limited Partnership and Owner is the same entity, namely LACP. Referring to the EB-5 Limited Partnership, a NCE is one which was created on or after November 29, 1990. This is the enterprise that EB-5 Investors will be investing in.

**Owner: *Los Angeles City Plaza, LP (“LACP”)*,** a California Limited Partnership. In this Project, the Job Creating Entity, New Commercial Enterprise, EB-5 Limited Partnership and Owner is the same entity, namely LACP. LACP is the Job Creating Entity that will own the Project and will manage and operate the resulting business activities.

**Project: *Long Beach Garden Homes*,** an undertaking to develop, construct, and thereafter operate a full-service restaurant as well as sell 36 condominium units for sale and 5,447 square feet of retail space. These will be owned and operated by the Owner.

**Regional Center: *California Investment Regional Center (“CIRC”)*,** a California Limited Liability Company, will function as the Regional Center in accordance with USCIS guidelines. The Regional Center will advise the Project, the EB-5 process, and the associated entities as well as provide reporting for matters of I-526 and I-829 related requirements. In this Project, CIRC is also the General Partner of LACP.

**Rural Area (“RA”):** A geographical area located both outside of a Metropolitan Statistical Area and outside of a city or town having a population of 20,000 or more based on the most recent decennial census of the United States. See INA § 203(b)(5)(B)(iii) and 8 CFR §204.6(j)(6)(i).

**Statistical Area:** The general concept of a metropolitan area is that of a large population nucleus in the United States and Puerto Rico, together with adjacent communities having a high degree of social and economic integration with that core. Metropolitan areas may comprise a number of towns or cities, or even entire counties. A consolidated **Metropolitan Statistical Area (“MSA”)** has a population of one million or more and also has separate component areas meeting statistical criteria and supported by local opinion. A **Combined Statistical Area (“CSA”)** is a grouping of adjacent metropolitan and/or micropolitan statistical areas.

**Subject Property: *1598 Long Beach Boulevard, Long Beach, California 98013*;** the proposed lot of land intended for development of the Project. The Subject Property may also be referred to as the **Subject Property**.

**Targeted Employment Area (“TEA”):** A TEA may be a Rural Area or a High Unemployment Area as designated by the appropriate state authority.

**United States Citizenship and Immigration Service (“USCIS”):** USCIS is the government agency that oversees lawful immigration to the United States.

## 1.2 Matter of Ho Index

Regarding *Matter of Ho*, 22 I&N Dec. 2006: A comprehensive business plan as contemplated by the regulations should contain, at minimum, a description of the business, its products and/or services, and its objectives. Since the following business plan is “Actual”, it was drafted after the Matter of Ho standard.

The plan should contain a market analysis, including the names of competing businesses and their relative strengths and weaknesses, a comparison of the competition’s products and pricing structures, and a description of the target market/prospective customers of the new commercial enterprise (*section 7.0 Market Analysis provides a market analysis, to include competitor analysis and market position*).

The plan should list the required permits and licenses obtained (*section 5.0 Project Development Timeline lists those needed to develop the Project*).

If applicable, it should describe the manufacturing or production process, the materials required, and the supply sources (*section 5.0 Project Development Timeline discusses materials and sources for construction activities; this is not applicable for business activities as restaurant operations as well as condominium unit and retail space sales do not include manufacturing or production of goods*).

The plan should detail any contracts executed for the supply of materials and/or the distribution of products (*section 5.0 Project Development Timeline discusses contracts executed for construction activities; this is not applicable for restaurant operations as well as condominium unit and retail space sales, as they do not include manufacturing or production of goods*).

It should discuss the marketing strategy of the business, including pricing, advertising, and servicing (*see section 7.3 Marketing Strategy*).

The plan should set forth the business’s organizational structure and its personnel’s experience (*section 2.2 Management Team*).

It should explain the business’s staffing requirements and contain a timetable for hiring, as well as job descriptions for all positions (*see Section 8.2 Job Creation for a summary of job creation*).

It should contain sales, cost, as well as operating expense and income projections and detail the bases therefore. Most importantly, the business plan must be credible (*see section 6.0 Project Financial Performance*).

## 1.3 Introduction

### Purpose

**LACP** is the Partnership formed for the purpose of developing, constructing and operating a mixed use development Project sponsored by **CIRC**, a USCIS-designated EB-5 Regional Center. The Partnership will also be managed by **CIRC** as General Partner on behalf of the EB-5 Limited Partners.

**LACP**, which will own, and operate the Project. The Project is the proposed construction and operation of a 4-story, approximately 90,200 square foot mixed-use development consisting of 4,800 square feet of retail space for lease, two restaurants totally 5,256 square feet, 36 residential condominium units for sale, and 80 parking spaces to be known as the *Long Beach Garden Homes*.

### EB-5 Program

Section 203(b)(5) of the Immigration and Nationality Act (“INA”) allocates 10,000 “EB-5” immigrant visas per year, of which 3,000 visas are reserved for aliens who invest in TEA. The EB-5 regulations may be found at 8 CFR 204.6 and 8 CFR 216.6, respectively. An alien investor may apply for a job creation immigration visa by submitting Form I-526 (Immigration Petition by Alien Entrepreneur) to USCIS.

EB-5 Investors may be eligible for an EB-5 immigrant visa if they have invested, or are actively in the process of investing, the required amount of capital into one of the following for-profit business-types:

- A new commercial enterprise (created after 11/29/1990).
- An existing enterprise established on or before Nov. 29, 1990, that is:
  - Purchased and the existing business is restructured or reorganized in such a way that a new commercial enterprise results, or
  - Expanded through the investment so that a 40-percent increase in the net worth or number of employees occurs
- A troubled business in which jobs will be preserved.
  - A troubled business is an enterprise that has been in existence for at least two years and has incurred a net loss during the 12- or 24-month period prior to the priority date on the immigrant investor’s Form I-526. The loss for this period must be at least 20 percent of the troubled business’ net worth prior to the loss. For purposes of determining whether the troubled business has been in existence for two years, successors in interest to the troubled business will be deemed to have been in existence for the same period of time as the business they succeeded.



Capital means cash, equipment, inventory, other tangible property, cash equivalents and indebtedness secured by assets owned by the alien entrepreneur, provided that the alien entrepreneur is personally and primarily liable and that the assets of the new commercial enterprise upon which the petition is based are not used to secure any of the indebtedness. All capital shall be valued at fair-market value in United States dollars. Assets acquired, directly or indirectly, by unlawful means (such as criminal activities) shall not be considered capital for the purposes of section 203(b)(5) of the Act. The investment capital cannot be borrowed.

In order to obtain USICS approval, each EB-5 investor must demonstrate that their capital investment will:

- Create or preserve at least 10 full-time jobs for qualifying U.S. workers within two years (or under certain circumstances, within a reasonable time after the two-year period) of the immigrant investor's admission to the United States as a Conditional Permanent Resident.
- Create or preserve either direct or indirect jobs:
  - Direct jobs are actual identifiable jobs for qualified employees located within the commercial enterprise into which the EB-5 investor has directly invested his or her capital.
  - Indirect jobs are those jobs shown to have been created collaterally or as a result of capital invested in a commercial enterprise affiliated with a regional center by an EB-5 investor. A foreign investor may only use the indirect job calculation if affiliated with a regional center.
  - Note: Investors may only be credited with preserving jobs in a troubled business.

A qualified employee is a U.S. citizen, permanent resident or other immigrant authorized to work in the United States. The individual may be a conditional resident, an asylee, a refugee, or a person residing in the United States under suspension of deportation. This definition does not include the immigrant investor; his or her spouse, sons, or daughters; or any foreign national in any nonimmigrant status (such as an H-1B visa holder) or who is not authorized to work in the United States.

Full-time employment means employment of a qualifying employee by the new commercial enterprise in a position that requires a minimum of 35 working hours per week. In the case of the Immigrant Investor Regional Center Program, "full-time employment" also means employment of a qualifying employee in a position that has been created indirectly from investments associated with the Regional Center Program.

There are two distinct EB-5 pathways for an alien investor to gain lawful permanent residence: the Basic Program and the Regional Center 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) in a new commercial enterprise located within the United States. The new commercial enterprise must create or preserve 10 full-time jobs for qualifying U.S. workers within two 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 Program, an alien investor may satisfy the job creation requirements of the program through the creation of either direct or indirect jobs.

Notably, an alien investing in a new commercial enterprise under the Basic Program may satisfy the job creation requirements only through the creation of direct jobs. If the regional center proposal bases its predictions regarding the number of direct or indirect jobs that will be created through EB-5 investments in the regional center, in whole or in part, by offering investment opportunities to EB-5 investors with the reduced \$500,000 threshold, then the Targeted Employment Areas should be identified.

## **Disclosures**

*This document is not an offer or solicitation to sell or acquire securities or any other financial products and is not a prospectus, disclosure statement, or other offering document. Any offering of securities will only be by means of a confidential private offering memorandum. Many of the descriptions of the Project in this document are derived from various marketing materials and therefore contain terms used in such materials. In addition, many sections are based on current expectations and plans of the Owner but are subject to change as the plans and specification for the Project may be finalized and modified from time to time. In particular, the Owner makes no representation and warranty that the Project will include each and every product, service, feature, or amenity described herein, and concepts specifically named may be changed prior to completion.*

## **1.4 New Commercial Enterprise**

### **The Partnership**

**LACP** is the new commercial enterprise in which the foreign investors will be investing for the purpose of financing the Project.

### **Partnership Objective**

The Partnership was established to finance the construction of certain real properties located within Long Beach in the State of California. In Long Beach within Los Angeles County, the Partnership intends to finance the development, construction, and thereafter operational management of the *Long Beach Garden Homes Project*.

### **General Partner**

**CIRC** is the General Partner of LACP, which will manage the Partnership's day-to-day business operations and conduct due diligence regarding Investor eligibility.

### **Regional Center Affiliation**

**CIRC**, a regional center designated by USCIS on May 28, 2015, is sponsoring the Project and will ensure that all EB-5 compliance matters with respect to the EB-5 funds are met with all the rights and responsibilities accorded under the laws of the State of California.

### **Use of EB-5 Investment Proceeds**

Equity investment into the Partnership will be used to fund the construction and operations of the job-creating Project.

### **EB-5 Preferred Equity Repayment**

Each EB-5 Limited Partners will own 2% of the partnership interests in LACP which will entitle him or her to 2% of all distributions from the Partnership. In no event will any EB-5 Limited Partner receive a distribution of his or her investment prior to I-829 petition approval. Assuming the EB-5 offering of LACP is fully subscribed with 27 EB-5 investors, the EB-5 Limited Partners will own 54% of the partnership interest of LACP, and the General Partner will own 46% of the partnership interest of LACP. In the event less than 24 EB-5 investors subscribe to the offering, then the General Partner's interest will be increased by 2% for each investor less 12 that subscribes to the offering. The EB-5 investment is "at-risk" in its entirety, therefore there is not a guarantee of any payment or principal repayment.

## 1.5 Job-Creating Investment Target

### The Project

*The Long Beach Garden Homes* is a proposed mixed use development which will include construction and operation of a 4-story, approximately 90,200 square foot mixed-use development consisting of 4,800 square feet of retail space for lease, two restaurants totally 5,256 square feet, 36 residential condominium units for sale, and 80 parking spaces, resulting in job creation.

### Project Location

The Project is located within Los Angeles County at the following locations: 1570, 1580, and 1598 Long Beach Boulevard, Long Beach, California 98013, permanently address 1598 Long Beach Blvd. Long Beach CA 90813.

### Project Management

The Project will be owned and operated by **LACP**. The Owner will also manage daily business operations.

### Use of Funds

Total development costs are summarized as follows:

Acquisition Costs	\$3,000,000
Construction Hard Costs	30,290,000
A&E Fees	660,000
Soft Costs	2,500,000
Pre-Opening Costs	500,000
<b>Total Development Costs</b>	<b>\$36,950,000</b>

**Source of Funds**

Sources of capital contributions are summarized as follows:

EB-5 Loan (from 12 foreign investors)	\$6,000,000
EB-5 funds from more 15 investors	12,000,000
Senior Debt (bank loans)	11,880,000
Private Equity (Owner)	7,070,000
<b>Total Capitalization</b>	<b>\$36,950,000</b>

**Development Schedule**

The development timeline will be driven by access to EB-5 investment dollars. **Construction is estimated to take twenty-seven months;** *Long Beach Garden Homes* will commence business operations upon completing construction activities.

**Financial Projections**

According to financial projections, gross revenue at the end of the second year of business activities will total \$7,467,729 with an EBITDA of \$6,370,381.

**TEA Designation**

The locations of the Subject Properties qualify as TEAs according to the California Governor's Office of Business and Economic Development; therefore, minimum investment per foreign investor will be \$500,000.

**Job Creation Projections**

According to the economic analysis conducted by Evans, Carroll & Associates, Inc., **the Project will create 386.6 jobs** that are a result of this development. To meet the EB-5 capital raise of \$18.0 million, **each investor will be assigned more than 10 jobs.**

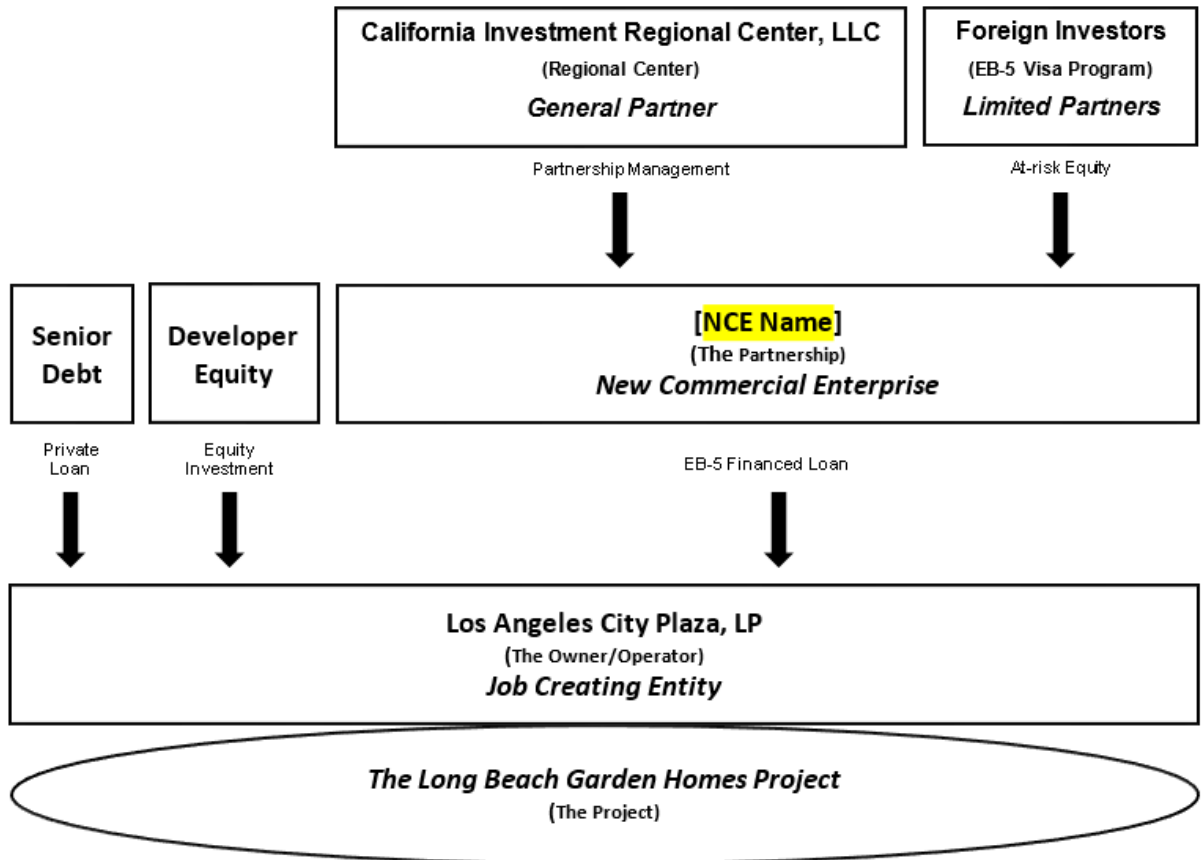
## 2.0 BUSINESS OVERVIEW

### 2.1 Investment Organizational Structure

**LACP** is a new commercial enterprise and the job creating entity. LACP was formed for the purpose of financing a job-creating new mixed use development within the geographic designation for CIRC, the sponsoring regional center. The Partnership will also be managed by CIRC as its General Partner.

LACP will receive at-risk equity investment from EB-5 investors, who will be EB-5 Limited Partners and co-owners in the Partnership. The Partnership will issue the full amount of EB-5 equity investment into the Project of LACP, the Project Owner.

The following diagram provides the investment structure of the Project:




## 2.2 Management Team

### 2.2.1 NCE Management

**CIRC is the General Partner of LACP, as well as the regional center sponsoring the Partnership and its Project. CIRC is an EB-5 Regional Center designated by USCIS on May 28, 2015 under the Immigration Investor Pilot Program for the specific purpose of investing EB-5 funds into a targeted commercial enterprise located within its proposed geographic area, which includes the Counties of Los Angeles, and Orange within the State of California (see *Exhibit A: Regional Center Documents*).**



-  Subject Property location
-  USCIS-designated geographic boundaries beyond Subject Property location

CIRC is currently approved for the following industry categories:

NAICS	Industry Name
2362	Nonresidential Building Construction
4232	Furniture and Home Furnishing Merchant Wholesalers
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers
4236	Household Appliances and Electrical and Electronic Goods Merchant Wholesalers
7211	Traveler Accommodation

The Project will focus on the following target industry clusters:

- NAICS 2361 Residential Building Construction
- NAICS 2362 Nonresidential Building Construction
- NACIS 5413 Architectural, Engineering, and Related Services
- NAICS 7225 Restaurants and Other Eating Places

With respect to extending a regional center’s scope of target industries and geographic boundaries absent a requirement for an actual I-924 amendment application submitted to USCIS, the USCIS’ comprehensive EB-5 Policy Memorandum dated May 30, 2013, on pages 22/23 states:

*The Form I-924 provides a list of acceptable amendments, to include changes to organizational structure or administration, capital investment projects (including changes in the economic analysis and underlying business plan used to estimate job creation for previously-approved investment opportunities), and an affiliated commercial enterprise’s organizational structure, capital investment instruments or offering memoranda.*

*Such formal amendments to the regional center designation, however, **are not required when a regional center changes its industries of focus, its geographic boundaries, its business plans, or its economic methodologies.***

This Project will reasonably expand the Regional Center’s current USCIS target industries and geography as described above. Under current USCIS EB-5 policy, as specified in the USCIS EB-5 Policy Memorandum dated May 30, 2013, a formal I-924 amendment application to the regional center’s initial designation is **not** required.



## **CIRC Management Team**

**Mr. Zhong (Johnson) Fang** is the managing member of CIRC. From 1993 to 2013, Mr. Fang has been engaging in real estate development and project investment, management, operations. Mr. Fang has an excellent work experience specializing in marketing and construction.

**Ms. Michelle Hu** is the managing member of CIRC. Ms. Hu graduated from the Department of Business Administration of the Wuhan University in China. Ms. Hu also attended Pasadena City College for further education. From 2000 to 2004, Ms. Hu had experienced a large scale of sales and administration of commercial and residential projects in China. From 2004 to 2013, Ms. Hu engaged in real estate sales and development as well as an immigration consultant service in California.

### **2.2.2 Project Ownership**

**LACP** is the owner and operator of the Project to be located at 1598 Long Beach Boulevard, Long Beach, California 98013. LACP will be the EB-5 “target commercial enterprise” that will use EB-5 capital invested into the Partnership to develop the job-creating project.

LACP consists of CIRC as General Partner, and the EB-5 investors as Limited Partners.

## 2.3 Consultants

### **Economic Impact Consultant**

*Evans, Carroll & Associates* is an economic consulting firm specializing in EB-5 immigration analysis, economic impact studies of development projects and new construction, models of state and local tax receipts, impact of current and proposed government legislation, and construction of econometric models for individual industries and companies. The economic analysis conducted by Evans, Carroll & Associates is referenced throughout this business plan.

### **Business Plan Consultant**

*Wright Johnson, LLC* is a business consulting and planning firm that specializes in USCIS's EB-5 Regional Center Program with an econometrics division that has successfully prepared numerous economic studies to evaluate and summarize the job-creation and economic benefits attributed to regional center designation and individual EB-5 projects. In addition, Wright Johnson has a business plan writing division that prepares Matter of Ho compliant Business Plans for EB-5 projects.

### 3.0 PROJECT DESCRIPTION

#### 3.1 Project Overview

The *Long Beach Garden Homes Project* is a proposed 4-story, approximately 90,200 square foot mixed-use development consisting of 4,800 square feet of retail space for lease, two restaurants totally 5,256 square feet, 36 residential condominium units for sale, and 80 parking spaces.

The Owner intends to sell the condominium units as well as the retail space, but own and operate the full service restaurant.



#### 3.2 Project Details

The purpose of the Project in its entirety is to develop, construct, and thereafter manage a 4,553 square foot full service restaurant (7225) as well as sell 36 condominium units for sale and 5,447 square feet of retail space located at the Subject Property.

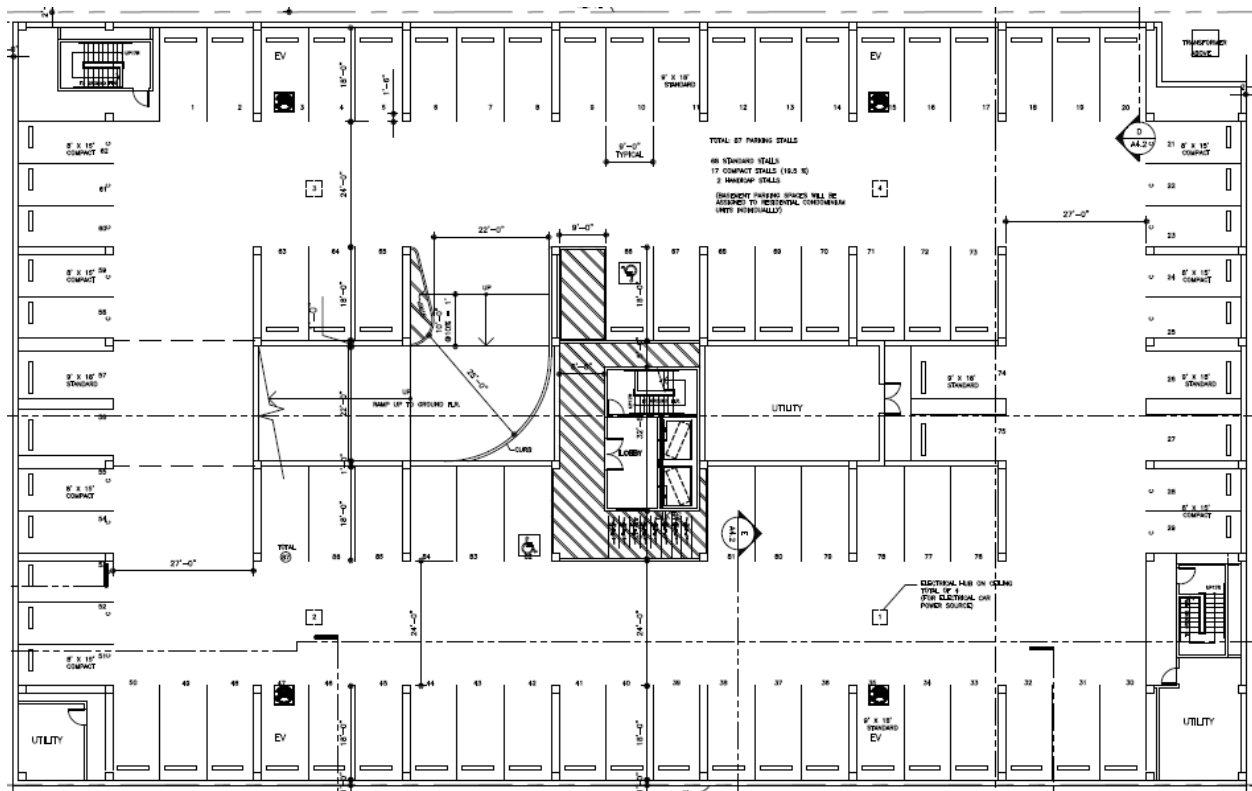
Land Area:	36,000 SF
Underground Parking:	32,000 SF
Underground Parking	80 stalls
Back Façade Ground Parking	43 stalls
Rentable Retail Space:	5,447 SF
Residential Units:	36 Units
One Bedroom Units:	1,000 SF each
Two Bedroom Units:	1,300 SF each
Restaurant:	
Type:	Full Service
Size:	4,553 SF

The following table provides a breakdown of unit mix by floor:

Residential Unit Mix by Floor			
Floor	One Bedroom Units	Two Bedroom Units	Total
Second Floor (2 <sup>nd</sup> )	4	8	12
Third Floor (3 <sup>rd</sup> )	4	8	12
Fourth Floor (4 <sup>th</sup> )	4	8	12
<b>Total:</b>	<b>12</b>	<b>24</b>	<b>36</b>

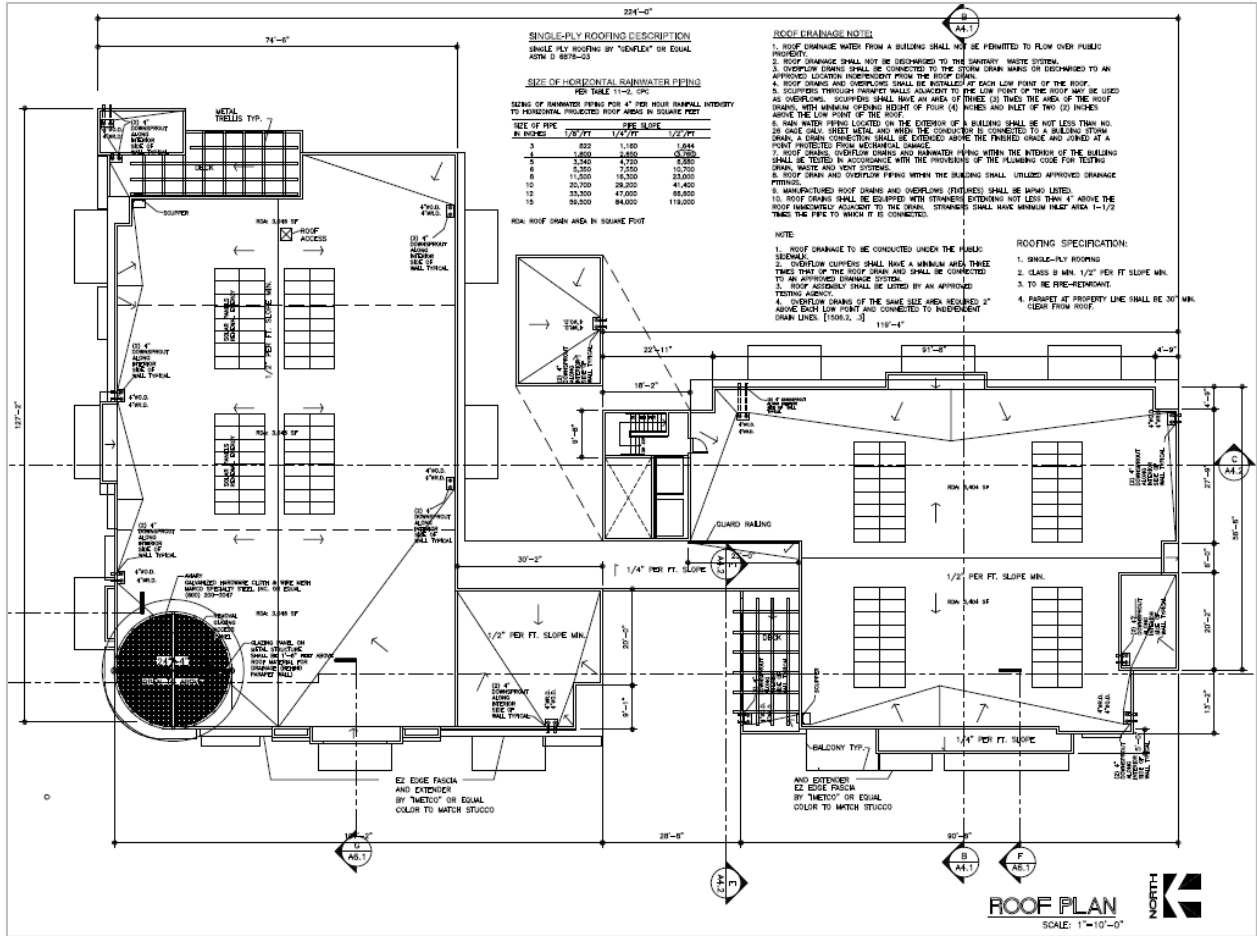
Amenities:

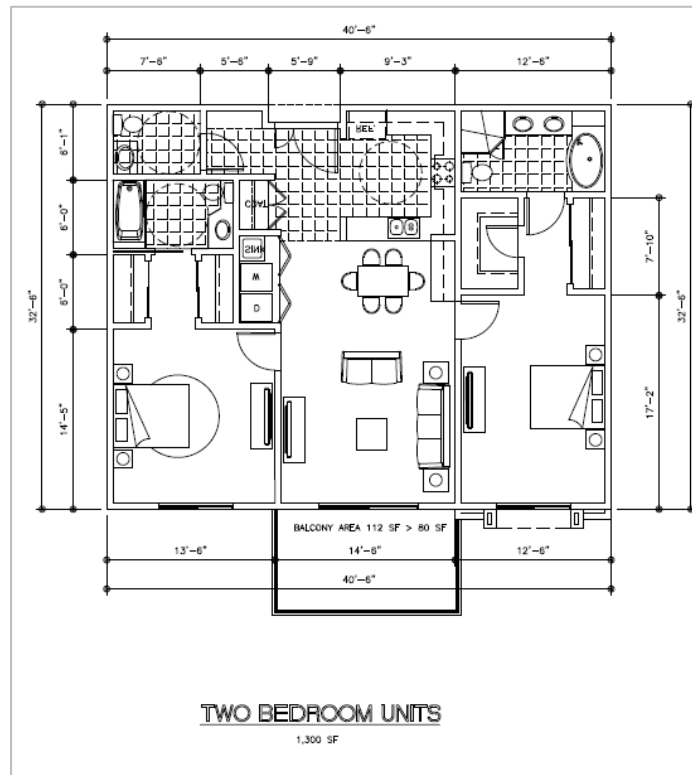
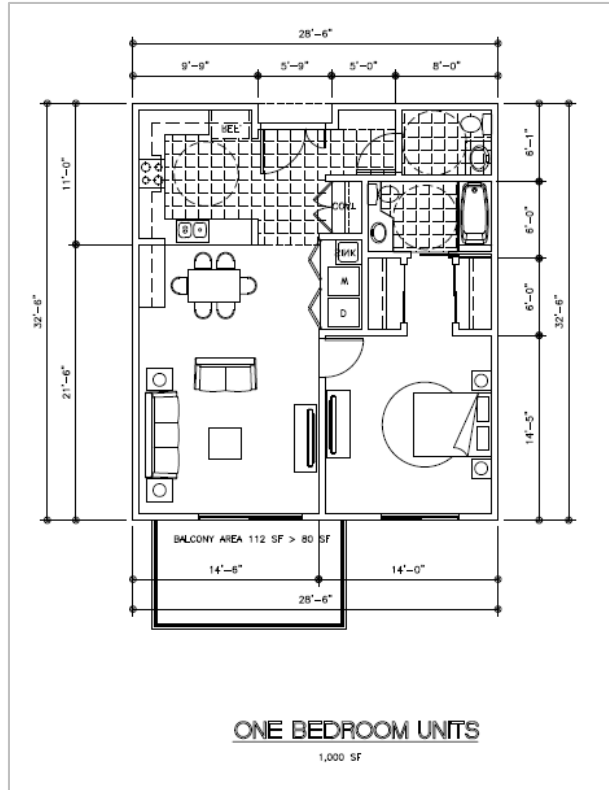
- Lobby
- Fitness Area
- Indoor Pool
- Hanging garden









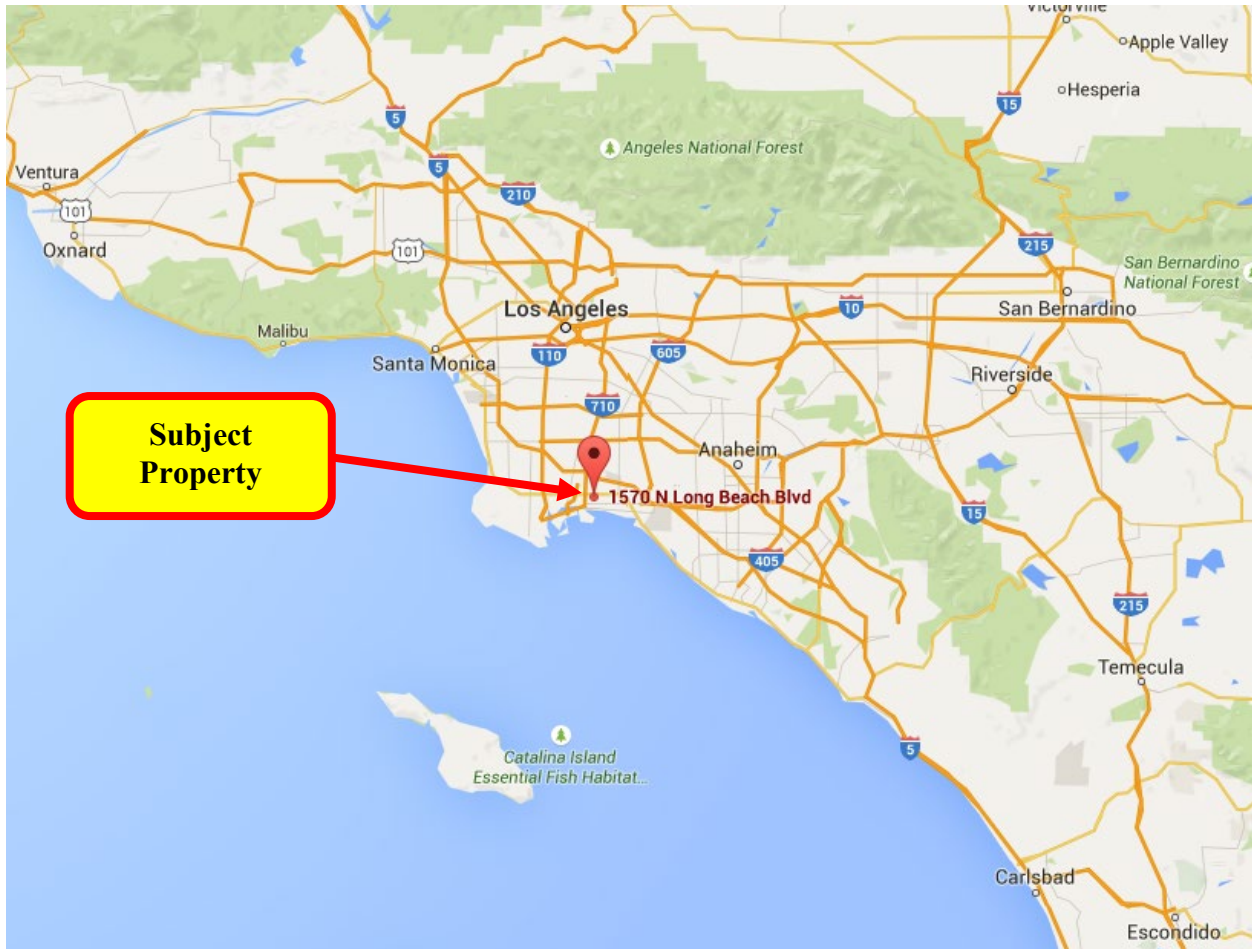


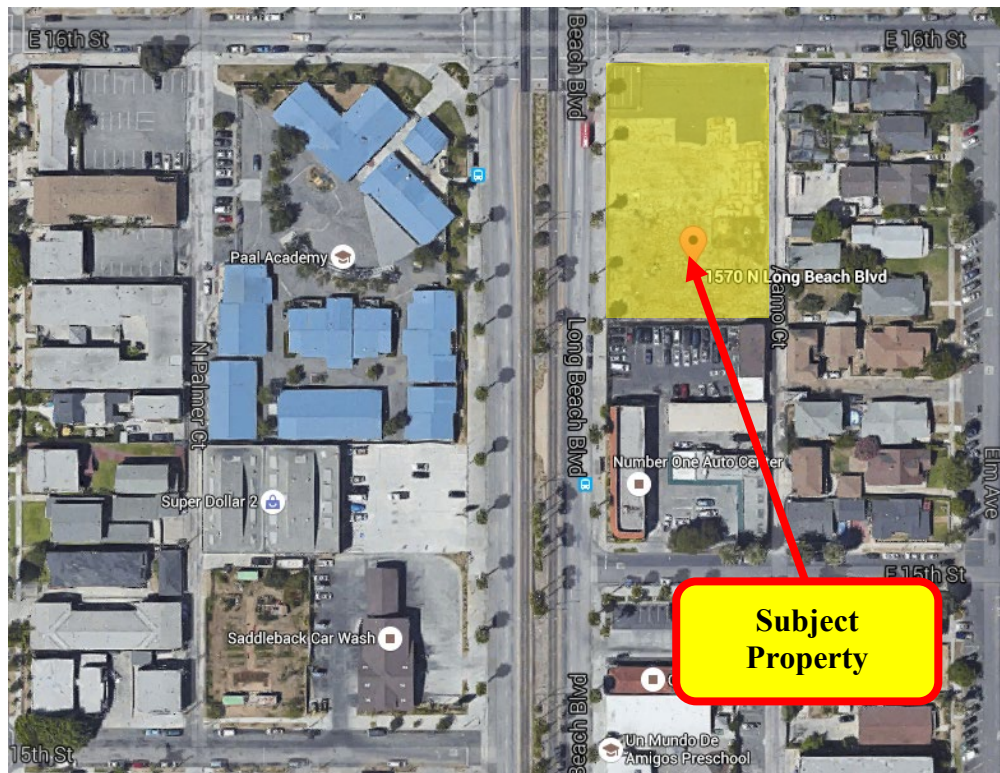
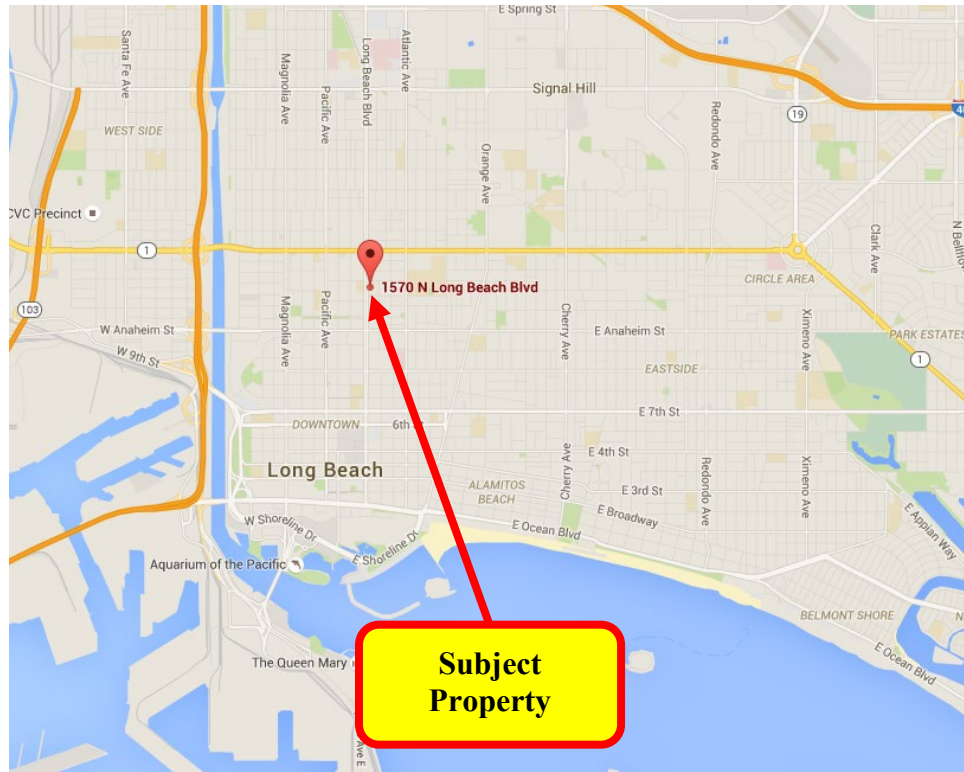


### 3.3 Subject Properties

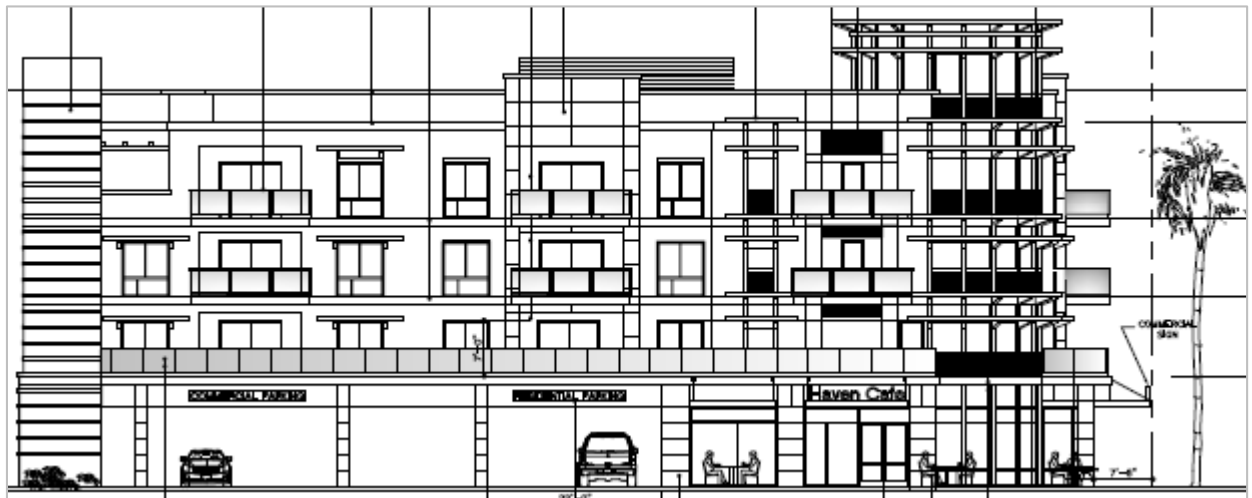
The Project is a proposed mixed use development within Los Angeles County, California located at 1598 Long Beach Boulevard, Long Beach, California 98013. The Project site is approximately 2 miles from Interstate I-710 Exit 2B and approximately 20 miles from Los Angeles International Airport.

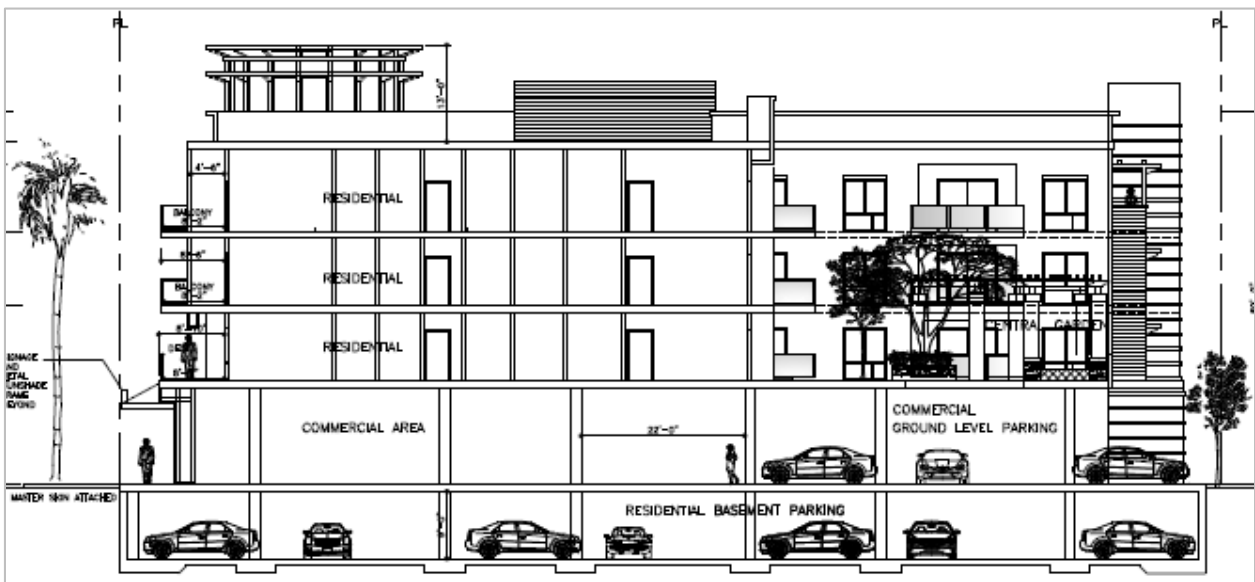
The site of the proposed new development can be seen in the following maps:

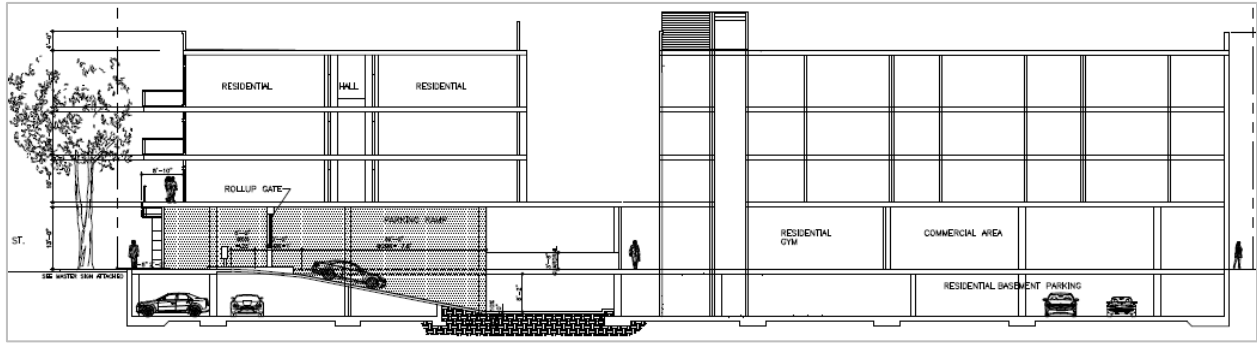




# Renderings





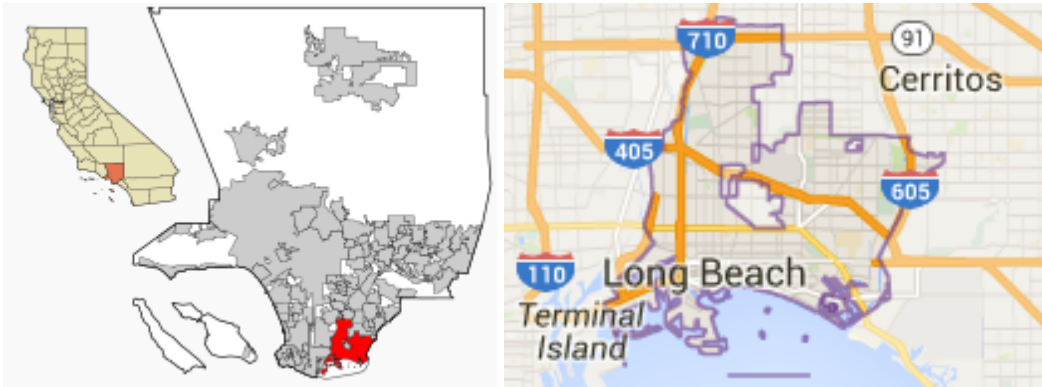


### 3.4 Subject Property Area Profile

#### 3.4.1 City of Long Beach Overview



Home to approximately 460,000 people, the City of Long Beach is one of the most ethnically diverse communities in the United States, offering all the world-class amenities of a large metropolitan city while maintaining a strong sense of community and neighborhood pride (City of Long Beach). The city has a land area of 50.923 square miles and a population of 462,257, as of the 2010 Census (QuickFacts).



Long Beach is home to the Queen Mary, Aquarium of the Pacific, several museums and theaters, Long Beach Airport, an award-winning school district and recreation programs, its own Health Department, miles of beaches and bike paths, five golf courses, five hospitals and two historic ranchos (City of Long Beach).

#### 3.4.2 Los Angeles County Overview



Los Angeles County is home to more than 244,000 businesses, with more minority- and women-owned businesses than any other in the nation. It is the nation's top international trade center and manufacturing center (lacounty.gov).

As of the 2010 census, the population was 9,818,605 (Population and Housing Unit Counts). With a land area of 4,058 square miles, the 2010 population density is 2,100 persons per square mile (QuickFacts).



Los Angeles County's 37 departments and \$24.2 billion budget provide extensive business opportunities to the private sector, both in contracts for goods and services. Suppliers wanting to do business with the County must first register as a county vendor. The County is allowed by Proposition A, approved by voters in 1978, to contract for services when it is more economical or more efficient to do so ([lacounty.gov](http://lacounty.gov)).

### **3.4.3 Population**

The following table shows populations from the last three U.S. Census surveys (Summary Population and Housing Characteristics):

<b>Location</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>Population Change</b>	
				<b>1990-2000</b>	<b>2000-2010</b>
City of Long Beach	429,433	461,522	462,257	+7.5%	+0.2%
Los Angeles County	8,863,164	9,519,338	9,818,605	+7.4%	+3.1%
Carolina State	29,760,021	33,871,648	37,253,956	+13.8%	+10.0%

### **3.4.4 Employment**

#### **Major Employment Industries**

Los Angeles County has over 245,000 businesses and government entities employing over 3,600,000 people with a payroll of \$180 billion. The U.S. Census Bureau reports the following top five industries for employment within Los Angeles County from its 2013 County Business Patterns report (U.S. Census Bureau):

<b>Industry</b>	<b>Number of Paid Employees</b>	<b>Number of Establishments</b>	<b>Annual Payroll (\$1,000)</b>
Health care and social assistance	487,608	29,251	\$23,825,343
Professional, scientific, and technical services	428,881	31,329	\$26,515,542
Retail trade	378,434	28,335	\$10,643,571
Manufacturing	357,728	12,785	\$18,847,085
Accommodation and food services	341,369	19,717	\$6,379,755



## Top Employers

The following chart lists Long Beach’s largest private employers as indicated by the Long Beach Chamber of Commerce (City of Long Beach, California; 195):

<b>Employer</b>	<b>Business Sector</b>	<b>Employees</b>
Long Beach Unified School District	Government	12,143
Long Beach Memorial Medical Center	Healthcare	5,146
City of Long Beach	Government	5,074
The Boeing Company	Manufacturing	4,203
California State University Long Beach	Education	2,881

## 4.0 DEVELOPMENT COST AND CAPITALIZATION

### 4.1 Use of Funds

Total development costs are summarized as follows:

<i><b>Long Beach Garden Homes Development Cost</b></i>	
Land Acquisition	\$3,000,000.00
<b>Total Acquisition Cost</b>	<b>3,000,000.00</b>
Underground Parking Lot Construction	13,850,000.00
Main Building Construction	13,670,000.00
Hanging Garden Construction	2,770,000.00
<b>Total Construction Hard Costs</b>	<b>30,290,000.00</b>
Engineering Costs	660,000.00
<b>Total A&amp;E Costs</b>	<b>660,000.00</b>
Pre-planning Cost and Application Fee	400,000.00
Reports	100,000.00
Drawing Review Fee	100,000.00
Permit Application Fees	200,000.00
Project management Fee	1,700,000.00
<b>Total Soft Costs</b>	<b>2,500,000.00</b>
Restaurant Opening Fee	500,000.00
<b>Total Pre-Opening Costs</b>	<b>500,000.00</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>\$ 36,950,000.00</b>

Costs are based upon the following:

**Total acquisition costs** refer to the expenditures required to purchase land for the business location and any professional fees associated with closing costs, acquiring a business location, assets, etc.

Land Acquisition refers to the cost required to develop the business location. The Developer assumes a total of \$3 million for this cost based on the Escrow Instructions for the purchase of the land (see *Exhibit B: Development Details* for the Escrow Instruction).

**Total construction hard costs** refer to the expenditures required to conduct construction activities as needed for business operations.

Underground Parking Construction refers to all costs associated with conducting construction activities to develop the underground parking garage. The Developer assumes a total of \$13,850,000 for this cost based on estimates provided by general contractor USA Realty Construction Group Inc. and validated by: (i) KOA Corporation, a planning and engineering firm in a letter dated September 13, 2015; and (ii) Simon Lee & Associates, an architecture firm in a letter dated August 24, 2015 (see *Exhibit B: Development Details*).

Main Building Construction refer to the costs associated with conducting construction activities to construct the main building consisting of the retail space, amenities, and condominium units. The Developer assumes a total of \$13,670,000 for this cost based on estimates provided by general contractor USA Realty Construction Group Inc. and validated by: (i) KOA Corporation, a planning and engineering firm in a letter dated September 13, 2015; and (ii) Simon Lee & Associates, an architecture firm in a letter dated August 24, 2015 (see *Exhibit B: Development Details*).

Hanging Garden Construction refer to the costs associated with conducting construction activities to construct the hanging garden. The Developer assumes a total of \$2,770,000 for this cost based on estimates provided by general contractor USA Realty Construction Group Inc. and validated by: (i) KOA Corporation, a planning and engineering firm in a letter dated September 13, 2015; and (ii) Simon Lee & Associates, an architecture firm in a letter dated August 24, 2015 (see *Exhibit B: Development Details*).

**Total A&E costs** refer to the expenditures required for the services of design and engineering professionals.

Engineering Costs refer to the costs associated with water and electricity engineering, fire engineering, air conditioning engineering, and landscape engineering. The developer assumes a total of \$660,000 based on estimates provided by general contractor USA Realty Construction Group Inc. and validated by: (i) KOA Corporation, a planning and engineering firm in a letter dated September 13, 2015; and (ii) Simon Lee & Associates, an architecture firm in a letter dated August 24, 2015 (see *Exhibit B: Development Details*).

**Total soft costs** refer to the any additional expenditures required to complete development of the business location, excluding pre-opening costs, such as construction-related soft costs, financing costs, contingency, etc.

Pre-planning and application fee refers to the costs associated with the initial pre-planning costs and the application fee for land plan and development drawings.

Reports refers to costs associated with acquiring an environmental assessment report, traffic impact report, air quality report, and noise impact report.

Drawing review fee refers to the costs incurred for the review of land plan and development drawings.

Permit application fee refers to the fees incurred for the applications of various permits.

Project management fee refers to the costs incurred from the use of project management professionals.

**Total pre-opening costs** refer to the expenditures required for business operation which must occur prior to commencing and during the initial period of business operations.

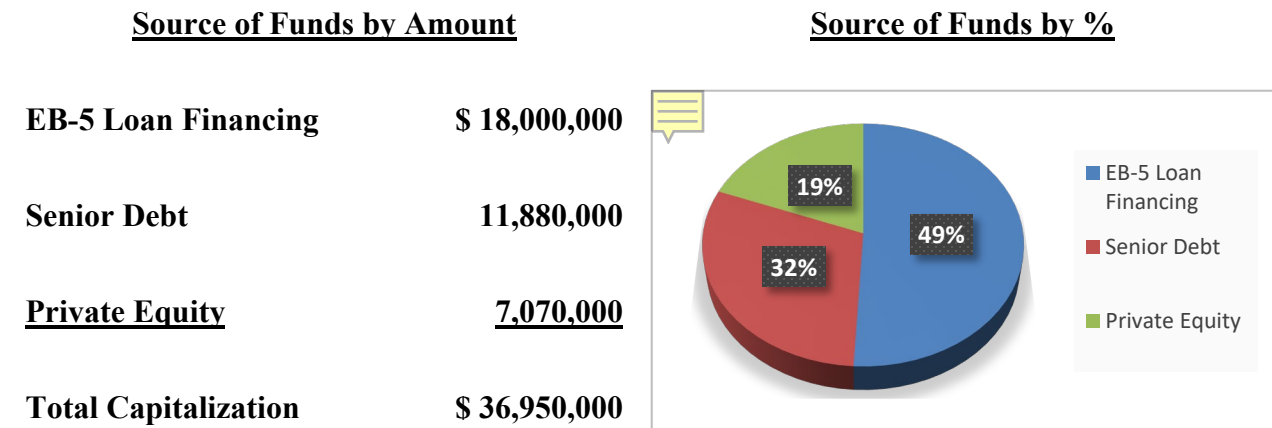
Real Estate Brokerage Fee refers to the costs associated with real estate brokers and their commissions for the sale of condominium units and retail space.

## 4.2 Sources of Funds

The Project objectives are as follows, which will be achieved through the full financing of its capitalization requirements:

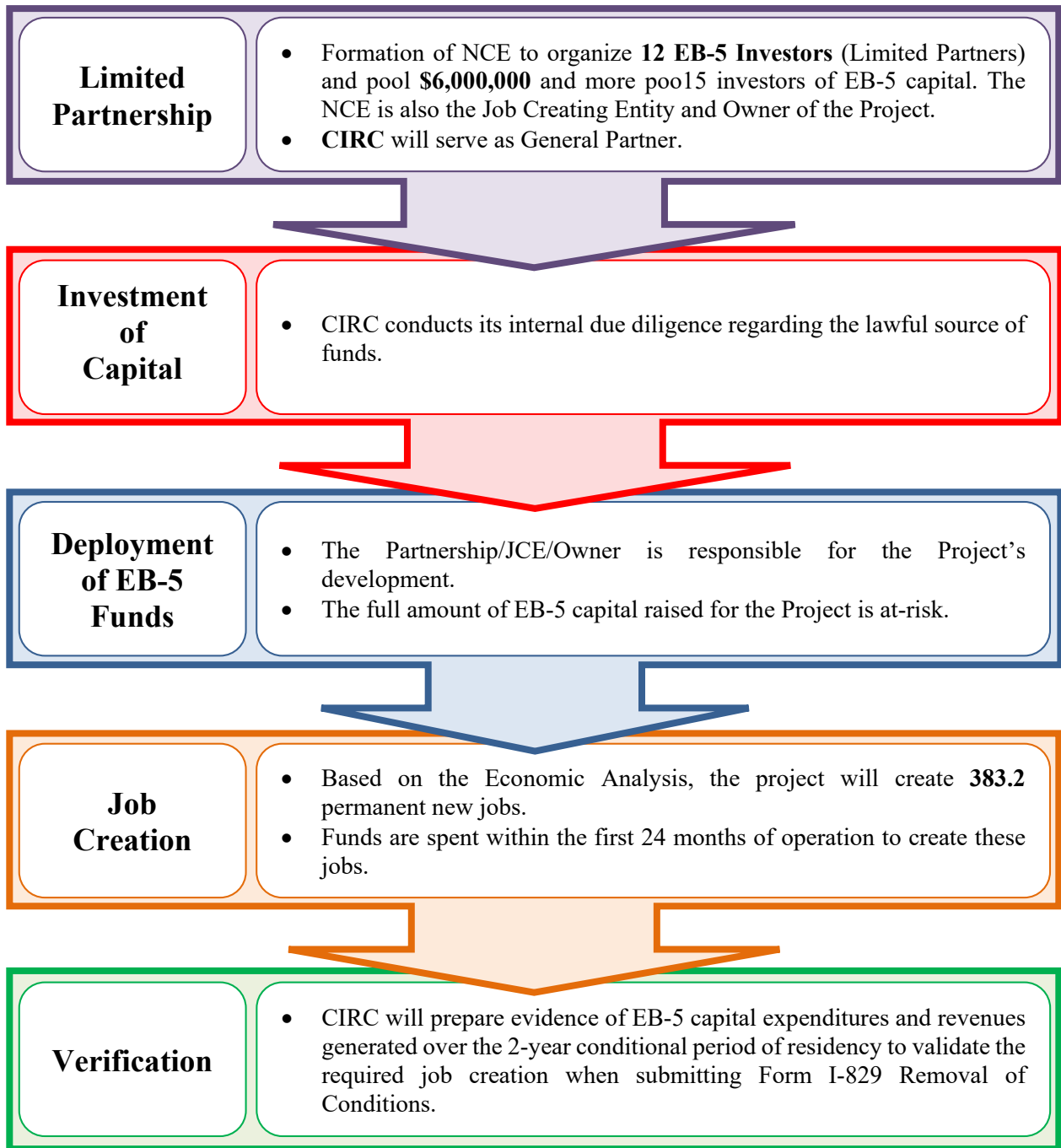
- 1) To construct and manage operations of a full service restaurant as well as the sale of 36 condominium units for sale and 5,447 square feet of retail space.
- 2) To create profit for the Partnership and its investors.
- 3) To promote job creation.

EB-5 alien investor capital combined with private equity will be used to achieve the objectives of the Project and to fully finance its \$36.95 million capitalization requirements. EB-5 equity financing in the amount of \$29.88 million from the EB-5 investors in LACP will be combined with \$7.07 million in other sources. The sources of funding for the Project are summarized in the following table:



Presuming that the completed value is equal to the total development cost, a conservative Loan-to-Value (“LTV”) of 50% would allow for senior debt lending of up to approximately \$18.5 million. The Project considers a total Senior Debt of approximately \$11.08 million.

The following chart illustrates the flow of EB-5 funds:



### 4.3 EB-5 Equity Investment Terms

The Partnership will be providing financing in connection with the development of the Project.

The Investment terms including the following:

- (1) Each EB-5 Investor (Limited Partner) will own 2% of the Partnership (54% if fully-subscribed with 27 investors) which will entitle such investor to 2% of all distributions from the Partnership. The General Partner will own 46% of the Partnership. If the event less than 27 investors subscribe to the Project, then the General Partner's interest shall be increased by 2% for each investor less than 27 investors.
- (2) Risk: The EB-5 investment is “at-risk” in its entirety, therefore there is not a guarantee of receiving any payment or principal repayment.

## 5.0 PROJECT DEVELOPMENT TIMELINE

The Developer spent total construction time for the Project (BNEW182565) to take approximately **fifty-four months**. The following high-level Work Breakdown Structure details the development schedule based on the Developer’s expectations, driven by access to EB-5 investment dollars (see *Exhibit B: Development Details* for Developer’s timeline):

**The project predicted to complete construction about twenty-four months, due to Pandemic COVID-19 cross the worldwide from year of 2019. The budget was two times labor and supplies increased from COVID-19 impact. Between 2019 to 2020, most employees in the City are Work-From-Home. Starting 2021, city employees are normally back to office. Due to reasons, the project delayed construction timeline.**

Long Beach Garden Homes Project	2015				2016				2017				2018				2017																				
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4		Q1																				
	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F
<i>EB-5 Timeline (30 months)</i>																																					
Administrative and Planning	[Purple bar]																																				
Site Work					[Orange bar]																																
Building Construction					[Yellow bar]																																
Operations																					[Green bar]				[Green bar]												
	Owner funds deployed pre-construction				EB-5 funds deployed in combination with private equity and senior debt deployed for construction and operational activities																All EB-5 funds have been deployed																
					206.2 jobs created due to construction activities																76.9 jobs created due to operational activities																
					283.2 total jobs created due to construction and operational activities																																



1. June- Dec 2014: planning on preliminary scheme.
2. Jan- Dec 2015: get planning permission from the City.
3. Jan- Dec 2016: obtain grading and apply building permit.
4. January - June 2017: Pay the fee and obtain building permit. During this period, Jan -Jun 2017: complete site works.
5. July 2017- Dec 2018: complete the construction of foundation engineering and the underground parking lot.
6. Jan 2019 - June 2020: complete the main structure construction for 1st to 4th floor.
7. July 2020 - Sep 2021: complete the interior and body decoration engineering of the main structure.



8. Sep 2021- Jan 2022: complete public works and offsite works.
9. Jan 2020 – Dec 2021: complete all supporting projects such as fire engineering, water and electricity engineering, landscape engineering and outdoor parking lot.
10. Jan- Mar 2022: compliance city inspections.
11. April 2022- issued permanent Occupancy Permit.
12. Sep 2022 – Dec 2023: planning and submit plans to city includes of two restaurants that developer self-operated.
13. Jan- Jun 2024: Apply for restaurant building permit.
14. Jun- Oct 2024: Complete restaurant interior and decoration.
15. Nov 2024: Restaurants open for business.

## ADMIN & PLANNING

The Administrative phase covers land entitlements, design, civil engineering, permits, and applicable fees in addition to Project due diligence activities. The Project received its Site Plan Approval (conditionally) from the City of Long Beach on June 29, 2015 (see *Exhibit B: Development Details*).

## SITE WORK PHASE (6 MONTHS)

After all action items/issues are resolved, permits are received, contractors selected, and fees paid, the pre-construction and site work periods begin. Pre-construction and site work includes securing soil engineer and land surveyor, construction fencing, rough grading, soil excavation/import/compaction, and underground wet and dry utilities, as well as the demolition of the existing building. Other tasks in these phases include trash enclosure, curb, gutter, hardscape, back fill (if needed) and finish grade, landscaping, grade base and pave, and monument and signage.

## GRADING AND UNDERGROUD (18 MONTHS)

Concrete underground is vital component of every underground construction project. It is significantly impacts both the durability and cost of the project, owner, designer. Tasks may include excavation and foundation (to the extent not completed in site work), and underground steel concrete construction.

## BUILDING CONSTRUCTION (24 MONTHS)

The construction time for both phases one and two will be fifteen months in length. Building construction (including exterior and interior construction) begins when Admin and Planning is completed. Tasks may include underground and ground rough plumbing and electricity, pour and form slab/curb, framing, rough electrical, rough plumbing, fire sprinkler, internal framing and walls, roofing, glass and glazing, exterior siding, set HVAC units, painting, fire alarm installation, system start-ups, and the clean and punch list.

## INSPECTIONS

City will involve the inspection from the beginning of construction starts. Inspections involved department of planning, building, fire, water, and public works. Occupancy permit is issued when all inspects are pass and approved.

## OPERATIONS (ONGOING)

This business plan utilizes EB-5 funds to finance a planning and operating costs (see *4.1 Use of Funds* for details). This business plan takes into consideration the resulting business activities within its market analyses (see section *7.0 Market Analysis*). Operational jobs are considered for job creation (see section *8.0 Employment*).

**6.0 FINANCIAL PERFORMANCE**

**6.1 Revenue Assumptions**

**Restaurant Operations**

Revenue Assumptions

First year (2017) Food and beverage revenue is assumed at a base total equivalent to the 5-year average rate as calculated from the Full-Service Restaurants (NAICS 722511) Industry Financial Report within the Los Angeles-Long Beach-Glendale, CA MSA from 2010 to 2014 which is \$1,001,169. Since restaurant operations only occur for 7 months out of the year, the owner broke this total into a monthly revenue of \$83,430.75 per month and multiplied that by 7 to determine food and beverage revenue for the 7 month period to be \$584,015.

Second year (2018) Food and beverage revenue is assumed at the 5-year average rate of \$1,001,169.

Revenue for future years are calculated with a conservative 2.0% annual growth rate from the previous year.

Validation of Condominium Assumptions:

The first year and second years of food and beverage revenue are based on the calculated 5 year average of operational revenue as identified by the Full-Service Restaurants (NAICS 722511) Industry Financial Report within the Los Angeles-Long Beach-Glendale, CA MSA from 2010 to 2014 (see *Exhibit C: Financial Projection Details*) as shown in the following table (BIZMINER):

<b>NAICS 722511: Full-Service Restaurants</b>	
<u>Year</u>	<u>Avg Annual Revenue</u>
2010	\$963,062
2011	\$985,882
2012	\$1,126,396
2013	\$1,042,998
<u>2014</u>	<u>\$887,506</u>
Average	\$1,001,169

Future food and beverage revenue from 2019 to 2021 is calculated from an annual growth rate of 2.0% as discussed further later in this business plan (see *Section 7.2.1 U.S. Full-Service Restaurant Industry Overview*).

## Condominium Sales

### Condominium Size and Price Assumptions

The following table summarizes the proposed selling prices for each type of condominium:

Unit Type	Average Area (SF)	Price Per SF (\$/SF)	Unit List Price (\$)
1 bedroom units	1,000	\$500	\$500,000
2 bedroom units	1,300	\$500	\$650,000

The Developer assumes that all condominium units will be sold by the end of 5 year period, with the following sale schedule for the Condominium units' sales:

Condominium Unit Sales Schedule						
	100% of Sales					
	2017		2018	2019	2020	2021
	Presales (5 months)	7 Months of Sales	Annual Sales	Annual Sales	Annual Sales	Annual Sales
	25% sold	19% sold	17% sold	17% sold	17% sold	5% sold
1 bedroom units	3	2	2	2	2	1
2 bedroom units	6	5	4	4	4	1
	<b>9</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>2</b>
Total Sold	<b>16</b>		<b>22</b>	<b>28</b>	<b>34</b>	<b>36</b>
Remaining Units	20		14	8	2	0

## Retail Unit Sales

### Retail Unit Size and Price Assumptions

The following table summarizes the proposed selling prices for each unit of Retail space:

Unit Number	Area (SF)	Price Per SF (\$/SF)	Unit Price
101	1,845.40	\$500.00	\$ 922,700.00
102	1,527.00	\$500.00	\$ 763,500.00
103	2,253.80	\$500.00	\$ 1,126,900.00
104	2,065.10	\$500.00	\$ 1,032,550.00
105	2,308.70	\$500.00	\$ 1,154,350.00

The Developer assumes that all retail units will be sold by the end of year 2018, with the following sale schedule for the Condominium units' sales:

Retail Unit Sales Schedule		
	2017	2018
	7 Months of Sales	Full Year of Sales
Retail SF Sold	1,863.8	3,583.2
Total Sold	<b>1,863.8</b>	<b>5,447.0</b>
Remaining Units	3,583.2	0.0

## 6.2 Financial Assumptions

The following Pro Forma is a summary of revenue and expense projections for the first five years of all business operations, which includes condominium and retail space sales as well as restaurant operations:

Long Beach Garden Homes Project Combined Operations - Five Year Financial Projection															
REVENUES	2017		2018		2019		2020		2021						
<i>Gross Revenues</i>															
Restaurant Revenue	\$	584,015	5.0%	\$	1,001,169	13.4%	\$	1,021,192	22.1%	\$	1,041,616	22.4%	\$	1,062,449	48.0%
Condominium Sales Revenue		9,650,000	82.3%		3,600,000	48.2%		3,600,000	77.9%		3,600,000	77.6%		1,150,000	52.0%
Retail Sales Revenue		1,491,040	12.7%		2,866,560	38.4%		-	0.0%		-	0.0%		-	0.0%
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>11,725,055</b>	<b>100.0%</b>	<b>\$</b>	<b>7,467,729</b>	<b>100.0%</b>	<b>\$</b>	<b>4,621,192</b>	<b>100.0%</b>	<b>\$</b>	<b>4,641,616</b>	<b>100.0%</b>	<b>\$</b>	<b>2,212,449</b>	<b>100.0%</b>
EXPENSES	2017		2018		2019		2020		2021						
<i>Departmental Expenses</i>															
Restaurant Expense	\$	518,792	4.4%	\$	889,358	11.9%	\$	907,146	19.6%	\$	925,289	19.9%	\$	943,794	42.7%
Condominium Sales Expense		557,140	4.8%		207,990	2.8%		207,990	4.5%		207,990	4.5%		66,830	3.0%
Retail Sales Expenses		-	0.0%		-	0.0%		-	0.0%		-	0.0%		-	0.0%
<b>TOTAL EXPENSES</b>		<b>1,075,932</b>	<b>9.2%</b>		<b>1,097,348</b>	<b>14.7%</b>		<b>1,133,279</b>	<b>24.4%</b>		<b>1,133,279</b>	<b>24.4%</b>		<b>1,010,624</b>	<b>45.7%</b>
EBIDTA	\$	10,649,123	90.8%	\$	6,370,381	85.3%	\$	3,506,057	75.9%	\$	3,508,338	75.6%	\$	1,201,824	54.3%

Each of these business activities are discussed in detail within the sections which follow.

## 6.2.1 Restaurant Operations

The following Pro Forma provides restaurant operations financial projections for the first five years of business operations, which are expected to commence upon completion of construction activities:

Long Beach Garden Homes Project Restaurant Operations - Five-Year Financial Projection										
REVENUES	2017		2018		2019		2020		2021	
<i>Gross Revenues</i>										
Food and Beverage Revenue	\$584,015	100%	\$ 1,001,169	100%	\$ 1,021,192	100%	\$ 1,041,616	100%	\$ 1,062,449	100%
<b>TOTAL REVENUE</b>	<b>\$584,015</b>	<b>100.0%</b>	<b>\$ 1,001,169</b>	<b>100.0%</b>	<b>\$ 1,021,192</b>	<b>100.0%</b>	<b>\$ 1,041,616</b>	<b>100.0%</b>	<b>\$ 1,062,449</b>	<b>100.0%</b>
EXPENSES	2017		2018		2019		2020		2021	
Food and Beverage Costs	259,653	44.5%	445,120	44.5%	454,022	44.5%	463,103	44.5%	472,365	44.5%
TOTAL COST OF SALES	259,653	44.5%	445,120	44.5%	454,022	44.5%	463,103	44.5%	472,365	44.5%
Management Salaries	21,492	3.7%	36,843	3.7%	37,580	3.7%	38,331	3.7%	39,098	3.7%
Labor Wages	106,081	18.2%	181,852	18.2%	185,489	18.2%	189,199	18.2%	192,983	18.2%
TOTAL LABOR COSTS	127,572	21.8%	218,695	21.8%	223,069	21.8%	227,531	21.8%	232,081	21.8%
Property Taxes	24,248	4.2%	41,569	4.2%	42,400	4.2%	43,248	4.2%	44,113	4.2%
Repair and Maintenance	9,519	1.6%	16,319	1.6%	16,645	1.6%	16,978	1.6%	17,318	1.6%
Advertising and Promotion	12,767	2.2%	21,886	2.2%	22,323	2.2%	22,770	2.2%	23,225	2.2%
General & Administrative	85,033	14.6%	145,770	14.6%	148,686	14.6%	151,659	14.6%	154,693	14.6%
TOTAL OPERATING EXPENSES	131,567	22.5%	225,543	22.5%	230,054	22.5%	234,655	22.5%	239,348	22.5%
<b>TOTAL EXPENSES</b>	<b>518,792</b>	<b>88.8%</b>	<b>889,358</b>	<b>88.8%</b>	<b>907,146</b>	<b>88.8%</b>	<b>925,289</b>	<b>88.8%</b>	<b>943,794</b>	<b>88.8%</b>
EBIDTA	\$ 65,223	11.2%	\$ 111,811	11.2%	\$ 114,047	11.2%	\$ 116,328	11.2%	\$ 118,654	11.2%

Note: 2017 only consists restaurant operation from June 2017 - December 2017.

**Revenue** is derived from the sale of food and beverages (discussed previously in section 6.1 *Revenue Assumptions*). All percentages in this Pro Forma are ratios-to-total revenue. Food and Beverage revenue for 2017 includes only 7 months of operations from June 2017- December 2017, since operations being only after the completion of construction activities.

The first year of revenue is calculated from the total of the 5-year average business revenue (previously discussed in section 6.1 *Revenue Assumptions*). The total annual revenue is broken down into a monthly detail add totaled based on the 7 months of operations that occur within 2017.

The second year of operations is the total from the 5-year average business revenue (previously discussed in section 6.1 *Revenue Assumptions*), as this is the first full year of operations.

**Expenses** were derived using the following average ratio-to-sales for Full-Service Restaurants (NAICS 722511) within the Los Angeles-Long Beach-Glendale, CA MSA from 2010 to 2014, which are utilized in projecting expenses (see *Exhibit B: Financial Projection Details*) (BIZMINER):

Ratio-to-sales	NAICS 722511
Cost of Sales	44.5%
Gross Margin	55.5%
Officers Comp	3.7%
Labor	18.2%
Taxes Paid	4.2%
Repairs	1.6%
Advertising	2.2%
Other SG&A	14.6%
EBIDTA	2.9%

## 6.2.2 Condominium Sales

The following Pro Forma projects revenue and expenses pertaining to condominium sales:

Long Beach Garden Homes Project Residential Condominium Unit Sales- Five Year Financial Projection										
REVENUES	2017		2018		2019		2020		2021	
<i>Gross Revenues</i>										
1 Bedroom Condo Revenue	2,500,000	25.9%	1,000,000	27.8%	1,000,000	27.8%	1,000,000	27.8%	500,000	43.5%
2 Bedroom Condo Revenue	7,150,000	74.1%	2,600,000	72.2%	2,600,000	72.2%	2,600,000	72.2%	650,000	56.5%
<b>TOTAL SALES</b>	<b>\$ 9,650,000</b>	<b>100.0%</b>	<b>\$ 3,600,000</b>	<b>100.0%</b>	<b>\$ 3,600,000</b>	<b>100.0%</b>	<b>\$ 3,600,000</b>	<b>100.0%</b>	<b>\$ 1,150,000</b>	<b>100.0%</b>
Commissions	482,500	5.0%	180,000	5.0%	180,000	5.0%	180,000	5.0%	57,500	5.0%
Broker Processing Fee	5,600	0.1%	2,100	0.1%	2,100	0.1%	2,100	0.1%	700	0.1%
Escrow Fees	25,600	0.3%	9,600	0.3%	9,600	0.3%	9,600	0.3%	3,200	0.3%
Title Insurance	22,720	0.2%	8,520	0.2%	8,520	0.2%	8,520	0.2%	2,840	0.2%
Transfer Taxes	8,800	0.1%	3,300	0.1%	3,300	0.1%	3,300	0.1%	1,100	0.1%
Retrofit	1,600	0.0%	600	0.0%	600	0.0%	600	0.0%	200	0.0%
Termite Inspection	1,600	0.0%	600	0.0%	600	0.0%	600	0.0%	200	0.0%
Home Warranty	7,200	0.1%	2,700	0.1%	2,700	0.1%	2,700	0.1%	900	0.1%
NHD Report	1,520	0.0%	570	0.0%	570	0.0%	570	0.0%	190	0.0%
<b>TOTAL COSTS</b>	<b>557,140</b>	<b>5.8%</b>	<b>207,990</b>	<b>5.8%</b>	<b>207,990</b>	<b>5.8%</b>	<b>207,990</b>	<b>5.8%</b>	<b>66,830</b>	<b>5.8%</b>
<b>NET INCOME</b>	<b>\$ 9,092,860</b>	<b>94.2%</b>	<b>\$ 3,392,010</b>	<b>94.2%</b>	<b>\$ 3,392,010</b>	<b>94.2%</b>	<b>\$ 3,392,010</b>	<b>94.2%</b>	<b>\$ 1,083,170</b>	<b>94.2%</b>

Condominium Sales for 2017 include 5 months of presales occurring from January 2017-May 2017 and 7 months of sales activities occurring from June 2017-Dec 2017

Note: Since Condominium units are only being sold no expenses are being considered for Condominium units sales.



**Revenue** is derived from the sale of 1 bedroom and 2 bedroom condominium units (discussed previously in section 6.1 *Revenue Assumptions*). All percentages in this Pro Forma are ratios-to-total revenue. Condominium Sales for 2017 include 5 months of presales occurring from January 2017-May 2017 and 7 months of sales activities occurring from June 2017-Dec 2017.

**Expenses** consist of closing costs for units sold that year and payment of property taxes for unsold units that remained at the beginning of each year.

Closing Costs: The following summarize typical closing costs for the State of California (Barry and Debra Kessler):

- Commissions: 5%
- Broker Processing Fee: \$350
- Escrow Fees: \$1,600
- Title Insurance: \$1,420
- Transfer Taxes: \$550
- Retrofit: \$100
- Termite Inspection: \$100
- Home Warranty: \$450
- NHD Report: \$95

### 6.2.3 Retail Sales

The following Pro Forma projects revenue and expenses pertaining to retail space sales:

<b>Long Beach Garden Homes Retail Space Sales- Five Year Financial Projection</b>				
<b>REVENUES</b>	<b>2017</b>		<b>2018</b>	
<i>Gross Revenues</i>				
Retail Space Revenue	1,491,040	100.0%	2,866,560	100.0%
<b>TOTAL SALES</b>	<b>\$ 1,491,040</b>	<b>100.0%</b>	<b>\$ 2,866,560</b>	<b>100.0%</b>
	-	0.0%	-	0.0%
	-	0.0%	-	0.0%
<b>TOTAL COSTS</b>	-	<b>0.0%</b>	-	<b>0.0%</b>
<b>NET INCOME</b>	<b>\$ 1,491,040</b>	<b>100.0%</b>	<b>\$ 2,866,560</b>	<b>100.0%</b>

Note: Retail Space Sales for 2017 consists of 7 months of sales activities occurring from June 2017-Dec 2017

Note: Since Retail space is only being sold no expenses are being considered for Retail space sales.

**Revenue** is derived from the sale of retail space (discussed previously in section *6.1 Revenue Assumptions*). All percentages in this Pro Forma are ratios-to-total revenue. Retail Sales for 2017 include only 7 months of sales activities occurring from June 2017-Dec 2017, due to sales activities commencing upon the completion of construction activities.

## **7.0 MARKET ANALYSIS**

### **7.1 Industry Activities**

The Owner will engage in the following industry activities as sponsored by California Investment Regional Center, which are considered for job creation analysis for the EB-5 investment:

#### **Residential Building Construction (NAICS 2361)**

This industry group comprises establishments primarily engaged in the construction or remodeling and renovation of single-family and multi-family residential buildings. Included in this industry are residential housing general contractors, operative builders and remodelers of residential structures, residential project construction management firms, and residential design-build firms.

The Owner/Operator may also conduct sales of individual condominium units as part of its business operations, which is not included within the following market analysis sections due to being included in this industry as a result of building construction activities.

#### **Nonresidential Building Construction (NAICS 2362)**

This industry group comprises establishments primarily responsible for the construction (including new work, additions, alterations, maintenance, and repairs) of nonresidential buildings. This industry group includes nonresidential general contractors, nonresidential for-sale builders, nonresidential design-build firms, and nonresidential project construction management firms.

The Owner/Operator may also conduct sales of retail space as part of its business operations, which is not included within the following market analysis sections due to being included in this industry as a result of building construction activities.

#### **Architectural, Engineering and Related Services (NAICS 5413)**

This industry group comprises establishments primarily engaged in providing architectural, engineering and related services, such as structure design, drafting, building inspection, landscape design, surveying and mapping, laboratory and on-site testing, and interior, industrial, graphic and other specialized design services.

## **Restaurants and Other Eating Places (NAICS 7225)**

This industry is divided into segments:

- Full-Service Restaurants (NAICS 722511)
- Limited-Service Restaurants (NAICS 722513)
- Cafeterias, Grill Buffets, and Buffets (NAICS 722514)
- Snack and Nonalcoholic Beverage Bars (NAICS 722515)

The Owner/Operator will be focusing on the Full-Service Restaurants subsectors for business operations, which is described as follows:

### **FULL-SERVICE RESTAURANTS (NAICS 722511)**

This U.S. industry comprises establishments primarily engaged in providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating. These establishments may provide this type of food service to patrons in combination with selling alcoholic beverages, providing carryout services, or presenting live nontheatrical entertainment.

The Owner/Operator will be focusing on the Full-Service Restaurants (NAICS 722510) subsector for business operations. Section 7.2 *Restaurants* presents a detailed market analysis of this industry as it pertains to the Project.

## 7.2 Full-Service Restaurants

Operators in the single location Full-Service Restaurants industry include single-location, independent or family-operated restaurants that provide food services to patrons who order and are served while seated (i.e. waiter and waitress service), and pay after eating. These establishments may sell alcoholic and other beverages, in addition to providing food services to guests.

The Single Location Full-Service Restaurants industry has experienced robust growth over the past five years. Since 2010, the improving economy and rising consumer spending have led to consistent growth in restaurant spending. The fine dining segment has done particularly well over the past five years due to quick recovery in the income levels of affluent consumers and the corporate sector. On the other hand, restaurants at the lower end of the market have struggled with low growth, as consumers have traded down to the innovative products served by a growing number of new fast-casual chains.



The industry's steady rebound is expected to continue over the next five years as the economy improves and consumer spending grows. Consumer spending is expected to increase 2.9% per year on average over the five years, benefiting the industry. Despite the optimistic operating conditions, industry restaurants will need to monitor and adjust to shifting consumer preferences. Rising health consciousness and ethical consumerism will present industry operators with ongoing opportunities to reach niche markets with premium products in order to increase profitability and revenue. The industry will also likely benefit from population and immigration growth, as well as a greater number of people living in urban areas, where restaurants are highly concentrated (IBISWorld).

### 7.2.1 U.S. Full-Service Restaurant Industry Overview

The Single Location Full-Service Restaurant industry has experienced robust growth over the past five years, as consumers have regained their appetite for spending. Over the period, per capita disposable income has experienced steady growth, especially for households with incomes over \$100,000, which are more likely to spend money at restaurants. As a result, many consumers that typically opt for cheaper meals have opted for pricier menu items instead. While the industry remains highly competitive, price competition has eased somewhat as consumers have increased spending, leading to a higher average industry profit margin. The industry will continue growing, as the economy continues its steady return to health (IBISWorld).

The U.S. Census Bureau reports the following for 2011 (U.S. Census Bureau):

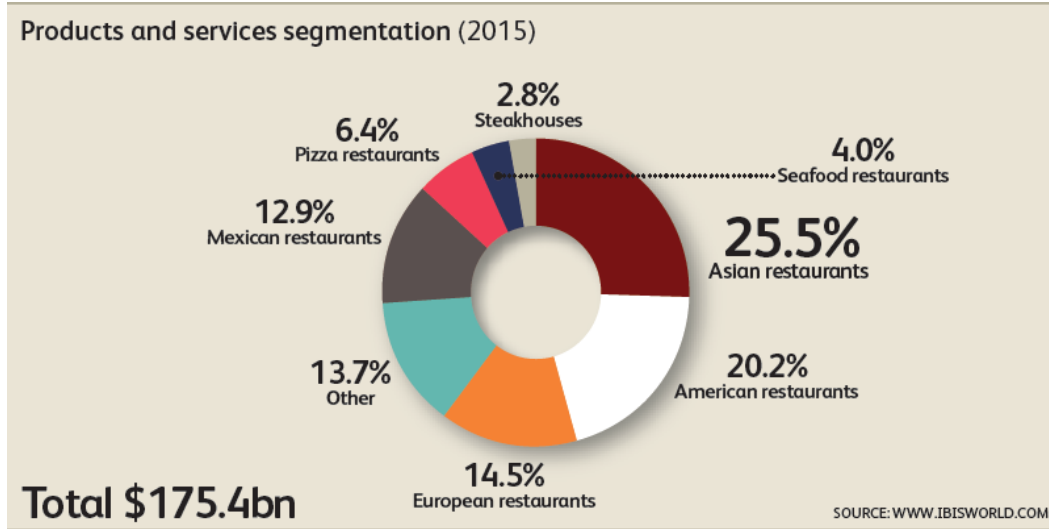
Geographic Area Name	2007 NAICS code	Industry Name	Number of establishments	Paid employees for pay period including March 12	First-quarter payroll (\$1,000)	Annual Payroll (\$1,000)
United States	722110	Full-service restaurants	227,161	4,570,174	17,281,044	74,333,056

The IBISWorld *June 2015 Industry Report 72211b Single Location Full-Service Restaurants in the U.S.* reports the following performance and outlook statistics:



The Single Location Full-Service Restaurants industry is segmented based on the main type of food served. The diverse and fragmented nature of the industry means many restaurants do not fit neatly into one category. For example, many Asian restaurants and steakhouses have a large component of seafood on their menus. Also, fusion cuisine, which combines elements of different culinary traditions, have become increasingly popular (IBISWorld).

Given these considerations, restaurants have been segmented based on their core offering:



Traditional and new American restaurants offer a menu with a wide variety of cuisine such as burgers, steaks, sandwiches, salads, fries and deserts. This type of food is heavily immersed into American culture and has therefore been a major driver of the industry's growth over the past half-century. Over the past few decades American restaurants have increased their hold of the entire food-service market due to the growth of chains such as Applebee's, Chili's and T.G.I. Friday's. However, within the Single Location Full-Service Restaurants, traditional and new American cuisine has been overtaken by ethnic foods due to the evolution of the American pallet and the gastronomy movement.

Asian food is a diverse category that can be broken down into a number of regional styles based on the peoples and cultures of those regions. The main broad types include: East Asian (including Chinese, Japanese, and Korean restaurants); Southeast Asian (including Vietnamese, Thai and Malaysian restaurants); and South Asian (including Indian, Sri Lankan and Bangladeshi restaurants). Asian food remains popular in states with high Asian populations, such as California and New York, but is also popular in a variety of geographic locations due to its diversity. Society's adoption and acceptance of ethnic foods in general has increased over the past half-century as tastes have developed and people become more adventurous in trying other cuisines. Higher rates of global travel and increased exposure to new cultures have also driven growth in the popularity of ethnic cuisine (IBISWorld).

Staples of Mexican cuisine include corn, beans, and chili peppers. Mexican restaurants are known for their intense and varied flavors and variety of spices. Mexican cuisine has had a large influence on the Southwest of the United States. In states such as Texas, where variations such as Tex-Mex have been adopted, Mexican style restaurants can account for well over 20.0% of all establishments. Growing immigration has contributed to a rise in Mexican food consumption over the past five years, driven in part by a rise in the Hispanic population.

European restaurants include Italian, French, Mediterranean, and Spanish restaurants. Most restaurants have evolved their recipes to suit American tastes. For example, the modern Italian-American menu is heavily focused on pasta-based dishes and pizza and tends to include greater amounts of meat and garlic than traditional Italian dishes. Italian-American dishes also tend to be characterized by large amounts of tomato sauce. Like many other ethnic cuisines, European restaurants are more popular in regions with high European immigration, such as in New York City, where European restaurants account for about 20.0% of establishments.

Pizza restaurants serve a menu of house and custom pizzas alongside pasta, salad and other Italian-influenced cuisine. Due to the wide influence of Italian immigrants in American culture over the past century, many regional forms of pizza have developed. Revenue from this segment has declined over the past five years as pizza has become increasingly defined as a carryout or delivery food. Pizza franchises such as Dominos, Pizza Hut and Papa John's, which now largely focus on carryout or delivery services, have contributed to this trend as they have been able to access higher profit margins through this business model. Still, sit-down pizza restaurants remain popular in much of the north-east and in urban locations where consumers prefer and can afford gourmet offerings.

Demand for this industry is influenced by a combination of the following external drivers (IBISWorld):

- **Consumer spending:**
  - Factors that influence the growth of consumer spending, such as taxes, consumer sentiment and oil prices, also affect demand for this industry. During a recession, any spike in unemployment generally leads to a decline in spending. Conversely, when economic conditions are good, consumers will be more likely to spend money on eating at restaurants.
  - Consumer spending is expected to increase, providing a potential opportunity for the industry.
- **Healthy eating index:**
  - Consumers are becoming increasingly aware of issues related to weight and obesity, fatty-food intake and food-safety issues. Consumers are now more aware of the health issues associated with fatty foods and are increasingly going out of their way to avoid them.
  - The healthy eating index is expected to increase, however this factor remains a threat to the non-health-conscious restaurants in the industry.



- **Households earning more than \$100,000:**
  - Full-service restaurants tend to draw their customers from higher income households. Given this factor, growth in the number of households earning over \$100,000 will benefit the industry.
  - The number of households earning more than \$100,000 is expected to increase.
- **Consumer Confidence Index:**
  - Changes in consumer confidence have a significant effect on household expenditure on discretionary items, including restaurant dining. During a recession, demand for lower-priced value products from restaurants increases, driving revenue down.
  - Consumer confidence is expected to increase.

The Single Location Full-Service Restaurants industry’s growth is expected to continue over the next five years as consumers allocate a greater proportion of their budgets to meals outside the home. Restaurants will benefit as the economy improves and unemployment rates decline, leading to more consumer indulgences, such as dining out. Over the next five year, consumer spending is expected to increase at an average annual rate of 2.9%, representing a slightly faster rate of growth than the previous five years. Consumer confidence, a leading indicator for spending patterns, is also expected to enjoy a healthy uptick over the next five years (IBISWorld).

### 7.2.2 Local Full-Service Restaurant Market Analysis

Between March 2014 and March 2015, state employment in Accommodation-Food Services, the parent sector of Full-Service Restaurants in the Bureau of Labor Statistics taxonomy, increased by 7.9%. The sector represents 11.3% of total state employment, including the public sector. On a national scale, the Full-Service Restaurants industry holds a \$329,136,285,300 market.

The specific market area is contiguous with the Los Angeles-Long Beach-Glendale, CA metropolitan area. As of 2014, the area supported a business base of 416,600 locally operated firms and 43,162 business branch operations. Local business operations are distributed among economic sectors as shown in the following table (Competitive Market Analysis):

Economic Sector Concentrations			
Sector	Market Area	Sector	Market Area
Agriculture-Forestry-Fishing-Hunting	0.07%	Mining-Quarrying- Oil & Gas Extraction	0.03%
Utilities	0.04%	Construction	3.74%
Manufacturing	3.54%	Wholesale Trade	5.15%
Retail Trade	15.00%	Transportation-Warehousing	1.98%
Information	3.02%	Finance and Insurance	5.28%
Real Estate- Rental and Leasing	4.74%	Professional-Scientific-Technical Services	13.55%
Management- Companies & Enterprises	0.09%	Administrative-Support-Waste-Remediation	3.48%
Educational Services	1.76%	Health Care-Social Assistance	15.23%
Arts-Entertainment- Recreation	1.80%	Accommodation-Food Services	4.63%
Other Services	16.87%	Total	100%

The market area includes 4,301,350 personal income reporting units with total gross income of \$293,260,588,770 (average income: \$68,179), 19.1% above the US average of \$57,227. (Each personal income reporting unit represents a single IRS tax return and is used to approximate a consumer decision-making unit). The percentage of earning units within each income reporting bracket is noted in the table (Competitive Market Analysis):

Personal Income Breakdown (IRS reporting units)	
Income Bracket	Market Area
\$1-\$25,000	42.7%
\$25,000-\$50,000	24.0%
\$50,000-\$75,000	12.3%
\$75,000-\$100,000	7.2%
\$100,000-\$200,000	9.8%
Over \$200,000	4.0%

The average income of the 422,300 personal income units reporting \$100,000-\$200,000 gross income is \$136,011; Average income of the 173,250 units reporting more than \$200,000 gross income is \$669,129 (Competitive Market Analysis).

### Supply

The following tables show the economic impact of Full-Service Restaurants within the entire State of California as well as Los Angeles County during 2011 (U.S. Census Bureau):

Geographic Area Name	2007 NAICS code	Industry Name	Number of establishments	Paid employees for pay period including March 12	First-quarter payroll (\$1,000)	Annual Payroll (\$1,000)
Los Angeles County, California	722110	Full-service restaurants	7,125	139,119	615,484	2,601,126
California	722110	Full-service restaurants	27,697	526,401	2,258,040	9,609,820



## Demographic trends

The changing age structure of the population is influencing change within the industry. Baby boomers are a major group that influences industry revenue growth. Not only are they a significant percentage of the population, they have the high disposable income to spend on restaurant meals. US Census Bureau consumer expenditure data indicates that consumers with incomes in the top two income quintiles (consisting of those consumers that earn over about \$60,000 per year) account for about 64.2% of the total personal expenditure on food eaten outside of the home. Of this group, households in the highest income quintile provide about 40.0% of the total away-from-home food expenditure. The most important factor driving the highest household income group to spend in restaurants is the pressure of work and lack of time.

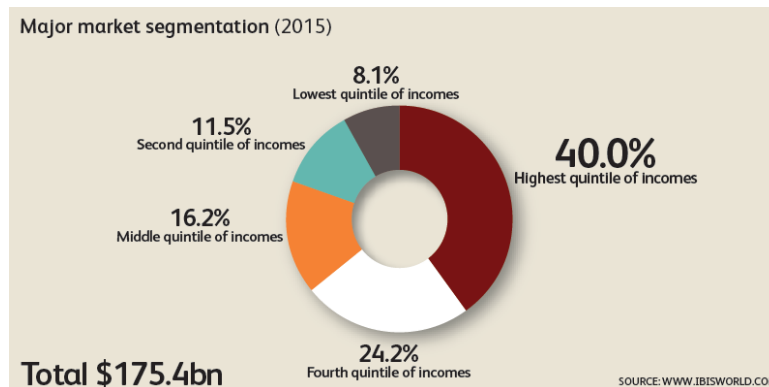
## Health consciousness

Rising health consciousness has a direct effect on industry operators as American consumers become increasingly concerned about fat content, fried foods and salt content, especially when dining out. As such, rising concerns over the nutritional value of restaurant meals are likely to influence demand for certain foods on menus, thus encouraging industry players to alter their product mix. It is also expected to affect overall performance for industry players by rewarding operators who expand their menu choices to include a range of healthy meal options among other more indulgent food items.

## Convenience

Convenience, value for money and time are other important demand determinants. Recent social trends such as busier lifestyles, heavier workloads and longer working hours, have helped boost demand for restaurant services and convenience food, as time-poor consumers look to cut down cooking time and make better use of their spare time. Moreover, restaurants have become more of a place for family get-togethers, special occasions, and social meetings for cash-rich and time-poor consumers (IBISWorld).

The major markets for the Single Location Full-Service Restaurants industry can be segmented based on a number of factors including income, age, geographic location and family structure.



An estimated 40.0% of industry demand comes from consumers in the nation's highest income quintile. In 2012 (the latest available data), the average consumer in the highest income bracket spent \$5,366 on food and beverages consumed outside the home, according to the US Census Bureau.

Those in the lowest income quintiles often need to make significant sacrifices in order to afford meals away from home. The average consumer in the lowest income quintile spent \$1,086 on out-of-home food consumption in 2012.

The three middle-income quintiles represent more than 50.0% of industry demand, showing how important the middle-class consumer is to the industry's performance. While these consumers do not typically spend big on luxury food items, they contribute to steady demand for middle-of-the-range chain restaurants.

According to IBISWorld research the following success factors represent the most important for industry operators to optimize profitability during the continued growth (IBISWorld):

- **Access to multi-skilled and flexible workforce:** Access to suitably skilled and trained staff on hourly rates is required to meet peak customer demand periods.
- **Ability to quickly adopt new technology:** Owners need to adopt new employee training and kitchen and customer-related technology to increase productivity and lower labor costs.
- **Attractive product presentation:** Restaurant atmosphere and ambiance are important to attract and retain guests.
- **Proximity to key markets:** It is important to be in a good, easily accessible location that is close to target markets.
- **Ability to control stock on hand:** Controlling orders, stock and food waste, which are major cost areas, can reduce unnecessary expenses.
- **Ensuring pricing policy is appropriate:** To maintain costs and profit margins on meals, owners must ensure that menu pricing/portion control process is undertaken thoroughly.

## 7.3 Marketing Strategy

### Product

Product marketing will focus on the sale of food and beverage for restaurant operations as well as the sales of condominium units and the sale retail space.

### Price

As independent operations, pricing will be based on a combination of cost-plus and the local real estate market and the demand for condominiums. Once determined during the first year of operation, pricing will not be expected to change significantly other than with inflation and industry growth.

### Promotion

Promotion, or advertising, will occur through specific media in order to reach a specialized range of consumers:

- Network marketing to local businesses
  - Newspapers and Magazines Campaign
  - Posters/Flyers/Signage
  - Effective Customer Support
  - Promotional Products/Souvenirs
- Online marketing
  - Company website with active SEO program
  - Advertising (Google Ads, etc.)
  - Online directories and magazines
  - Social Media (Facebook, Twitter, etc.)
- Store front, curbside, and roadway signage
- Joint promotions with local organizations

### Distribution (Placement)

Business activities within the proposed Project are intended to cater to residents and shoppers. Thus, marketing will focus on local shopping and housing.

## 8.0 EMPLOYMENT

### 8.1 Targeted Employment Area

Under the EB-5 immigrant investor program, an alien can become eligible to obtain U.S. permanent resident status by investing either US \$1 million or US \$500,000 in a new commercial enterprise in the U.S. To participate in the immigrant investor program through investing the lower US \$500,000 amount, the alien must invest his/her capital funds into a geographic area that qualifies as a TEA.

Section 203(b)(5)(B) of the Immigration and Nationality Act defines a TEA as an area that, at the time of investment, is a rural area or an area that has experienced an unemployment rate that is at least 150 percent of the national average unemployment rate. Based upon the 2014 national average unemployment rate of 6.2%, a high unemployment area is an area in which its 2014 average annual unemployment rate was at least 9.3%.

According to the California Governor's Office of Business and Economic Development, the Subject Property is within a census tract with a calculated unemployment rate of 10.61%. Therefore, the location currently qualifies as a TEA based upon being within a high unemployment area (see *Exhibit D: TEA Designation*). Evidence that the proposed Project is in a TEA within the regional center boundary will be provided with the individual I-526 Petitions of EB-5 investor(s).

## 8.2 Job Creation

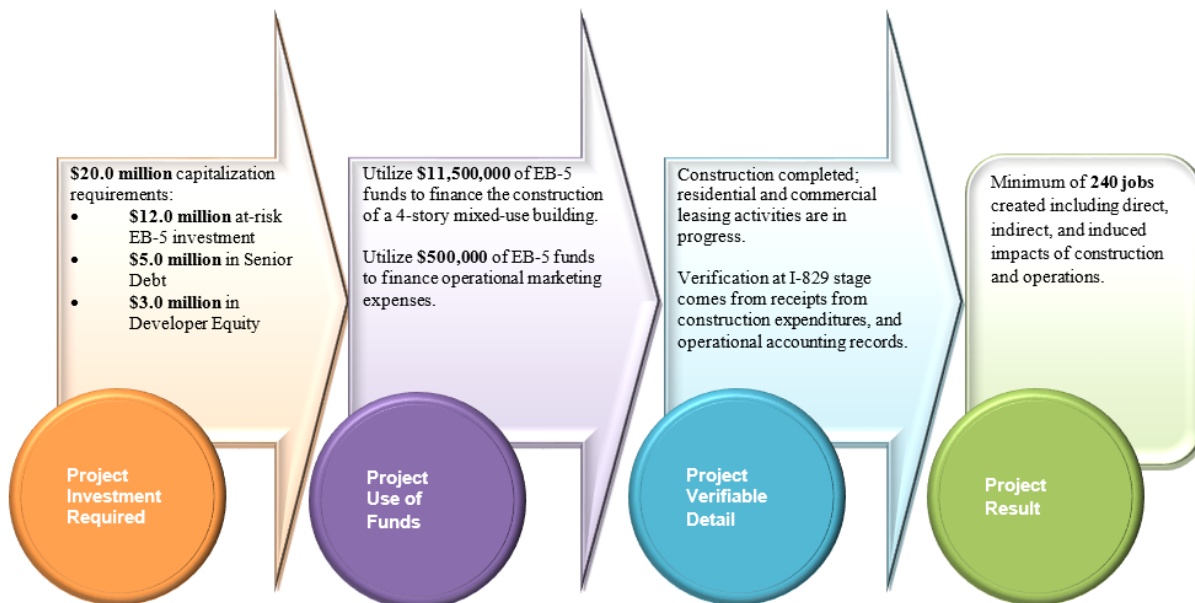
The economic impact analysis conducted by Evans, Carroll & Associates, Inc. finds that the Project will generate significant and positive economic benefits for the local, regional and U.S. economy. The total investment will be \$19.8 million and the EB-5 investment into the project will be \$6.0 million from 12 foreign investors. The remaining capital will come from a combination of private equity and Senior Debt. Of the total capital expenditure, EB-5 eligible costs include \$12,680,000 to be spent on hard construction, and \$1,460,000 on A&E costs.

The proposed Project includes two years of construction. Therefore, direct construction jobs are included in the total job creation estimates in accordance with USCIS requirements. Also, the number of construction jobs must be based upon the capital expended on the “hard costs” of construction only. Certain soft costs, such as interest reserves and permitting are not included. These jobs are calculated as indirect effects within the RIMS II model and to use these costs would be double counting.

The 30-month EB-5 timeline includes six (6) months of operation. Revenues for this EB-5 period are summarized as follows:

Revenue During 30-month EB-5 Timeframe		
2017 (6 months)	\$	11,641,624
<b>TOTAL REVENUE DURING EB-5</b>	<b>\$</b>	<b>11,641,624</b>

Of foreign investment, a portion will be used to finance a portion of these construction costs and a portion will be used to finance a portion of pre-opening costs:





Foreign investment will require evidence of creating at least 120 jobs. According to the economic analysis, **the Project will create 283.2 permanent new jobs** comprising of direct, indirect, and induced jobs. Therefore, **each investor will be assigned 23.6 jobs** to meet the EB-5 capital raise of up to \$6,000,000.

The following table demonstrates the breakdown of jobs utilizing the RIMS II input/output model (Michael Evans):

<b>Table A. Summary of Expenditures/Revenues and Employment</b>					
Activity	Exp/Rev mil cur \$	Exp/Rev Mil 2010 \$	Final Demand Multiplier	Total Jobs	Direct Jobs
Hard Construction Costs	14.14	12.90	14.2875	184.3	84.0
Architect, Engineering & Related	1.80	1.67	13.1814	21.9	7.8
Food and Beverage Operations	3.77	3.35	22.9647	76.9	52.4
<b>Total Jobs</b>				<b>283.2</b>	<b>144.2</b>
All figures calculated from unrounded numbers					

Verification at the I-829 state of the EB-5 process would be receipts, tax documents, and other expense records. Construction employment was derived through expenditure modeling based upon detailed construction cost figures supplied by the Developer.

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## EXHIBITS

### Exhibit A: Regional Center Documents

#### Regional Center Approval Letter:

	<p>U.S. Department of Homeland Security U.S. Citizenship and Immigration Services <i>Immigrant Investor Program</i> 131 M Street, NE, Mailstop 2235 Washington, DC 20529</p>  <p><b>U.S. Citizenship and Immigration Services</b></p>
<p>Date: May 28, 2015</p>	
<p>Michelle Hu California Investment Regional Center, LLC 9911 Valley Blvd. El Monte, CA 91731</p>	
Application:	Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program
Applicant(s):	California Investment Regional Center, LLC
Re:	Initial Regional Center Designation California Investment Regional Center, LLC RCW1312651131 / ID1312651131
<p>This notice is in reference to the Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program that was filed by the applicant with the U.S. Citizenship and Immigration Services ("USCIS") on May 3, 2013. The Form I-924 application was filed to request approval of initial regional center designation under the Immigrant Investor Program. The Immigrant Investor Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874).</p>	
<p><b><u>I. Executive Summary of Adjudication</u></b></p>	
<p>Effective the date of this notice, USCIS approves the Form I-924 request to designate California Investment Regional Center, LLC as a qualifying participant in the Immigrant Investor Program.</p>	
<p><b><u>II. Regional Center Designation</u></b></p>	
<p>USCIS approves the applicant's request to focus, promote economic growth, and offer capital investment opportunities in the following geographic area and industry categories:</p>	

**A. Geographic Area**

State	Counties	Counties
California	Los Angeles County	Orange County

**B. Industry Categories<sup>1</sup>**

NAICS	Industry Name
2362	Nonresidential Building Construction
4232	Furniture and Home Furnishing Merchant Wholesalers
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers
4236	Household Appliances and Electrical and Electronic Goods Merchant Wholesalers
7211	Traveler Accommodation

**III. Job Creation**

USCIS approves the geographic area and industry categories noted above based on the economic impact analysis presented and reviewed in conjunction with the adjudication of this regional center proposal.

This hypothetical project does not have the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998), and therefore, USCIS's approval of the hypothetical job creation estimates presented in the Form I-924 will not be accorded deference and may not be relied upon by an individual investor when filing the Form I-526. The business plan and job creation estimates will receive a de novo review by USCIS when an individual investor files Form I-526. Once an actual project is adjudicated upon the filing of the initial Form I-526, USCIS will give deference to subsequent Forms I-526 when the critical assumptions remain materially unchanged from the initially-approved Form I-526.

When filing Form I-526, it will be the responsibility of the individual investor to submit a comprehensive, detailed and credible business plan, showing by a preponderance of the evidence that his or her investment in the new commercial enterprise will create not fewer than 10 full-time positions. If prior to filing a form I-829, the job creation estimated in the business plan submitted by the individual investor materially changes or will not be realized, then it will be the responsibility of the EB-5 investor to notify USCIS of an agreed upon methodology to allocate job creation among eligible investors.

<sup>1</sup> USCIS issued a Policy Memorandum (PM-602-0083) on the subject of "EB-5 Adjudication Policy," dated May 30, 2013, stating that formal amendments to the regional center designation are no longer required when a regional center changes its industries of focus or geographic boundaries. A regional center may still elect to pursue a formal amendment by filing Form I-924 if it seeks certainty in advance that changes in the industries or the geographic area will be permissible prior to filing Form I-526 petitions.

**IV. Guidelines for Filing Form I-526 Petitions**

Each individual petition, in order to demonstrate that it is affiliated with the California Investment Regional Center, LLC, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain the following:

1. A copy of this regional center approval notice and designation letter including all subsequent amendment approval letters (if applicable).
2. An economic impact analysis which reflects a job creation methodology required at 8 CFR § 204.6 (j)(4)(iii) and shows how the capital investment by an individual immigrant investor will create not fewer than ten (10) indirect jobs for each immigrant investor.
3. A comprehensive, detailed and credible business plan for an actual project that contains the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998).
4. Legally executed organizational documents of the commercial enterprise.

Note: The project reviewed with this Form I-924 application is a hypothetical project. Organizational and transactional documents associated with the new commercial enterprise (NCE) submitted with this Form I-924 have not been reviewed to determine compliance with program requirements since these documents will receive de novo review in subsequent filings (e.g., an amended Form I-924 application with a Form I-526 exemplar or the first Form I-526 petition filed by an investor under the regional center project).

**V. Designee's Responsibilities in the Operations of the Regional Center**

As provided in 8 CFR § 204.6 (m)(6), to ensure that the regional center continues to meet the requirements of section 610(a) of the Appropriations Act, a regional center must provide USCIS with updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information must be submitted to USCIS on an annual basis or as otherwise requested by USCIS. The applicant must monitor all investment activities under the sponsorship of the regional center and to maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A, Supplement to Form I-924 Application is available in the "Forms" section on the USCIS website at [www.uscis.gov](http://www.uscis.gov).

Regional centers that remain designated for participation in the Immigrant Investor Program as of September 30<sup>th</sup> of a calendar year are required to file Form I-924A Supplement in that year. The Form I-924A Supplement with the required supporting documentation must be filed on or before December 29<sup>th</sup> of the same calendar year.

California Investment Regional Center, LLC  
ID1312651131  
RCW1312651131  
Page 4

The failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Program will result in the issuance of an intent to terminate the participation of the regional center in the Immigrant Investor Program, which may ultimately result in the termination of the designation of the regional center.

The regional center designation is non-transferable.

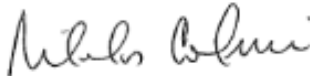
**VI. Legal Notice**

This approval and designation of a Regional Center under the Immigrant Investor Program does not constitute or imply an endorsement or recommendation by USCIS, the United States Government or any instrumentality thereof, of the investment opportunities, projects or other business activities related to or undertaken by such Regional Center. Except as expressly set forth in this approval and designation, USCIS has not reviewed any information provided in connection with or otherwise related to the Regional Center for compliance with relevant securities laws or any other laws unrelated to eligibility for designation as a Regional Center. Accordingly USCIS makes no determination or representation whatsoever regarding the compliance of either the Regional Center or associated New Commercial Enterprises with such laws.

Each Regional Center designated by USCIS must monitor and oversee all investment offerings and activities associated with, through or under the sponsorship of the Regional Center. The failure of an associated New Commercial Enterprise to comply with all laws and regulations related to such investment offerings and activities may result in the issuance by USCIS of a notice of intent to terminate the Regional Center designation.

If the applicant has any questions concerning the regional center designation under the Immigrant Investor Program, please contact the USCIS by email at [USCIS.ImmigrantInvestorProgram@uscis.dhs.gov](mailto:USCIS.ImmigrantInvestorProgram@uscis.dhs.gov).

Sincerely,




Nicholas Colucci  
Chief, Immigrant Investor Program

cc: Marianna Tarantur  
Wright Johnson Ltd.  
197 S. Federal Hwy., Suite 200  
Boca Raton, FL 33432

**Exhibit B: Development Details**

**Land Grant Deed:**

This page is part of your document - DO NOT DISCARD


 **20150079405**


Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

Pages: 0003


01/23/15 AT 08:00AM

FEES:	25.00
TAXES:	3,300.00
OTHER:	0.00
PAID:	3,325.00

  
LEADSHEET


  
201501230190001

00010096543

  
006612912

SEQ:  
14

DAR - Title Company (Hard Copy)

  
THIS FORM IS NOT TO BE DUPLICATED

t55



2

RECORDING REQUESTED BY:  
Fidelity National Title Company  
  
AND WHEN RECORDED MAIL TO:  
LOS ANGELES CITY PLAZA, LP  
9911 Valley Blvd.  
El Monte, CA 91731



THIS SPACE FOR RECORDER'S USE ONLY:

Title Order No.: 23052866-CT Escrow No.: 214560-JD

**GRANT DEED**

THE UNDERSIGNED GRANTOR(S) DECLARE(S)  
**DOCUMENTARY TRANSFER TAX is \$3,300.00**  
[ ] computed on full value of property conveyed, or  
[X] computed on full value less value of liens or encumbrances remaining at time of sale.  
[ ] Unincorporated area [X] City of Long Beach **AND**

43

2

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

**Jack Khorsandi, a Married Man, as his sole and separate property**

hereby GRANT(s) to:

**LOS ANGELES CITY PLAZA, LP, a California Limited Partnership**

the real property in the City of Long Beach, County of Los Angeles, State of California, described as:  
LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF  
Also Known as: 1570,1580 and 1598 Long Beach Blvd, Long Beach, CA 90813  
AP#: 7269-023-018 (Lot 15), 7269-023-019(Lots 16 and 17) and 7269-023-021(Lots 13 and 14)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

DATED January 2, 2015  
STATE OF CALIFORNIA  
COUNTY OF Los Angeles  
On 1-2-2015  
before me, Renita Kumar  
A Notary Public personally appeared

\_\_\_\_\_  
Jack Khorsandi

Jack Khorsandi  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)  
MAIL TAX STATEMENTS TO PARTY SHOWN BELOW; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE:

14D

3

EXHIBIT "A"

LOTS 13, 14, 15, 16, AND 17 OF COVERT TRACT, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 4, PAGE 47 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE, WITHOUT HOWEVER, THE RIGHT OF SURFACE ENTRY.

APN: 7269-023-021 (LOTS 13 AND 14) 7269-023-018 (LOT 15) 7269-023-019 (LOTS 16 AND 17)

**Escrow Instructions showing Purchase Price of Land:**



**Sterling West Escrow**

12100 Wilshire Blvd., Suite 720  
Los Angeles, CA 90025

Phone: (310) 696-0192

Fax: (310) 696-0204

**CLARIFICATION INSTRUCTIONS**

To: **STERLING WEST ESCROW**

Date: September 15, 2014

Escrow No.: 214560-JD

Officer: **Julie Davis, Sr. Escrow Officer**

**Renita Kumar, Escrow Officer**

Assisted by : **Eve Carriere, Escrow Officer**

**CLARIFICATION TO AIR STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE (VACANT LAND) DATED AUGUST 27, 2014**

**STERLING WEST ESCROW IS LICENSED BY THE DEPARTMENT OF CORPORATIONS OF THE STATE OF CALIFORNIA, LICENSE NUMBER 9632232**

We, the undersigned, hand you a copy of the Air Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (Vacant Land) dated August 27, 2014 including Counter Offers and Addendums (original(s) of which has/have been executed by all parties and retained by broker). Your duties and responsibilities are limited to those paragraphs specified in paragraph 8, of the original purchase agreement.

Buyer will hand **STERLING WEST ESCROW**  
an initial deposit in the amount of \_\_\_\_\_ \$90,000.00  
Prior to close of escrow, buyer will deposit an additional amount of \_\_\_\_\_ \$1,410,000.00  
Buyer herein to execute a purchase money first trust deed loan in favor of Seller in the amount of \_\_\_\_\_ 1,500,000.00

**Total Consideration** \_\_\_\_\_ **\$3,000,000.00**

Buyer and Seller will execute and deliver any instruments and/or funds which this escrow requires to show title as called for, all of which Escrow Holder is instructed to use on **JANUARY 5, 2015, (CLOSE OF ESCROW)** provided Escrow Holder will cause a Policy of Title Insurance with the usual title company exceptions to be issued with a liability of not less than **\$3,000,000.00** covering property described as per

the legal description to be furnished by **Fidelity National Title Company** who shall be the title insurer herein

covering that certain property commonly known as: **1570,1580 and 1598 Long Beach Blvd, Long Beach, CA 90813**

**APN: 7269-023-018, 7269-023-019, 7269-023-021 (Parcels of flat land totalling approximately 36,000 square feet)**

**(BUYER AND SELLER ACKNOWLEDGE THAT ESCROW HOLDER SHALL NOT BE RESPONSIBLE FOR VERIFYING SUBJECT PROPERTY ADDRESS.)**

## Development Budget and Timeline Validation Letters



1100 Corporate Center Dr. Suite 201  
Monterey Park, CA 91754  
t: 323-260-4703 f: 323-260-4705  
www.koacorporation.com

September 13, 2015

Mrs. Michelle Hu  
CEO  
9911 Valley Boulevard  
El Monte, CA 91731

**Subject:** California Investment Regional Ctr - Long Beach Garden Home Project

Dear Mrs Michelle Hu,

This letter is to serve as a verifying and supporting document for your development construction proposal you provided for the Long Beach Garden Home Project "The Project" located at 1570, 1580, and 1598 Long Beach Boulevard, Long Beach, CA 90813, Los Angeles County.

Founded in 1987, **KOA Corporation (KOA)** is one of the leading construction engineering and transportation planning and design firms in California. KOA provides consulting services to both public and private sectors, and has six offices to serve our California clients.

The proposed developing project consists of a new 90,200 square foot 4-story, mixed-use building with the following components: (i) underground construction area for 80 parking spaces; (ii) ground floor public space and retail, including two restaurants and two retail stores; and (iii) approximately 36 residential units on floors 2, 3 and 4. A copy of this information is attached to this letter as Exhibit A.

With the technical evaluation process completed, and a comparison of the project construction costs and timeframe to the local construction industrial practices and market was disclosed, the price proposals were opened and the amounts were presented and assessed in the right order, The combined scope of construction progressive time and schedule were framed per industrial standard and within reasonable arrangement.

We hereby certify that the technical proposal evaluation process for the project Long Beach Garden Home for the design and construction was conducted in accordance with Request for Proposals (RFP) of City of Long Beach Business Development Authority Acquisition Regulations and the construction industrial standards within great Los Angeles area.

Sincerely,

Frank Benavidez, P.E., Vice President  
Professional Engineer (CA Civil 65061)  
KOA CORPORATION

LOS ANGELES ONTARIO ORANGE SAN DIEGO SOUTH BAY

**EXHIBIT A TO VALIDATION LETTER**

Long Beach Garden Homes

Long Beach Garden		CONSTRUCTION BUDGET	ENTER EXPENSES
<b>PROJECT INFORMATION</b>			
Project Name	Long Beach Garden Project		
Project Description	Mixed Use - Commercial and Apartment		
Property Developer/Owner	California Investment Regional Center		
Contractor	USA Realty Construction Group, Inc		
Licensed/Bonded Number	B#1000068		
Contact Name	Kenneth Wang		
Phone	(526) 443-5588		
Address	9911 Valley Blvd, El Monte, CA 91731		
<b>FINANCIAL STATUS</b>			
<b>Project Development Pre &amp; Post Construction Soft Cost:</b>			
Land Acquisition		3,000,000	
Project Entitlement	\$100,000		
Architct & Engineering	\$400,000		
Fees & Permits (City/County)	\$200,000.00		
Project Operational Cost (3yrs Incl Restaurant/Retail working capital & cash reserve)			\$1,200,000
Marketing & Sales (Expenses/Commission)			\$660,000
<b>Subtotal:</b>			<b>\$5,660,000</b>
<b>Project Construction Hard Cost:</b>			
Underground Parking Structure			\$2,240,000
Main Structure Construction Cost (Incl: FF&E, Interior Finishes)			\$8,670,000
Ground Parking Structure and Roof Garden Above			\$1,770,000
Utilities, Fire, Landscape, Public Works, etc			\$1,460,000
<b>Subtotal:</b>			<b>\$14,140,000</b>
<b>Total Investment Budgetary Fund:</b>			<b>\$19,800,000</b>

## **Long Beach Garden Homes**

### **Development Timeline**

1. June 2014: planning on preliminary scheme.
2. June 2015: get planning permission from the City.
3. October - December 2015: obtain grading permit; Site Work
4. January to March 2016: complete the grading construction (construction begins).
5. April to July 2016: complete the construction of foundation engineering and the underground parking lot.
6. August 2016 to January 2017: complete the main structure construction for 1st to 4th floor.
7. February to July 2017: complete the interior and body decoration engineering of the main structure.
8. August to October 2017: complete all supporting projects such as fire engineering, water and electricity engineering, landscape engineering and outdoor parking lot.
9. November 2017 to January 2018: complete all supporting projects including the decoration engineering of two restaurants that developer self-operated.
10. January 2018: Examination by the municipal government and issuance of Certificate of Occupancy. Restaurants open for business.



**SIMON LEE &  
ASSOCIATES**  
ARCHITECTS

140 W. VALLEY BLVD., SUITE 215, SAN GABRIEL, CA 91776  
TEL: (626) 571 -8000 FAX: (626) 571 -8005  
website: www.slarch.com e-mail: simon.lee@slarch.com

August 24, 2015

To: **California Investment Regional Center, LLC**

9911 Valley Boulevard  
El Monte, CA 91731  
Attention: Mrs. Michelle Hu

Re: **Validating Letter For Long Beach Garden Home Project**

Dear Mrs. Michelle Hu:

Thank you very much for choosing us to assist you with our professions in consulting service to assess and evaluate your proposal for above-tilted project in City of Long Beach.

Establish in 1983, Simon Lee & Associates and Architects (SLARCH) is a privately held firm in servicing of Architectural, Planning and Engineering, Project and Construction Consulting Services; as architects, designers, planners and consultants, we partner with our clients on some hundreds projects every year. These projects can be as small as a wine label or as large as a new urban district. With more than 100 professionals networked across locations in US and overseas, we serve our clients as trusted advisors, combining localized expertise with global perspective wherever new opportunities arise.

We have reviewed the development budget, the hard and soft cost estimates, and the construction timeliness for the construction of Long Beach Garden Home Project located on 1570, 1580, and 1598 Long Beach Boulevard, Long Beach, CA 90813, Los Angeles County. The Project consists of a new 90,200 square foot 4-story, mixed-use building with the following components: (i) underground construction area for 80 parking spaces; (ii) ground floor public space and retail, including two restaurants and two retail stores; and (iii) approximately 36 residential units on floors 2, 3 and 4. A copy of this information is attached to this letter as Exhibit A.

In our professional opinion, the hard and soft budget estimates and the construction timeliness for the Project are based on reasonable assumptions for the intended construction and the scope of work as known at this time and are consistent with industry standards in the Los Angeles area.

If you required any additional information or clarification, please do not hesitate to contact the undersigned.

Simon Lee, Principal AIA  
Simon Lee & Associates, Architects



EXHIBIT A TO VALIDATION LETTER

Long Beach Garden Homes

Long Beach Garden		CONSTRUCTION BUDGET		ENTER EXPENSES
<b>PROJECT INFORMATION</b>				
Project Name	Long Beach Garden Project			
Project Description	Mixed Use - Commercial and Apartment			
Property Developer/Owner	California Investment Regional Center			
Contractor	USA Realty Construction Group, Inc			
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Phone	(526) 443-5588			
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Architct & Engineering	\$400,000			
Fees & Permits (City/County)	\$200,000.00			
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Main Structure Construction Cost (Incl: FF&E, Interior Finishes)				\$8,670,000
Ground Parking Structure and Roof Garden Above				\$1,770,000
Utilities, Fire, Landscape, Public Works, etc				\$1,460,000
Subtotal:				\$14,140,000
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## **Long Beach Garden Homes**

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8. August to October 2017: complete all supporting projects such as fire engineering, water and electricity engineering, landscape engineering and outdoor parking lot.
9. November 2017 to January 2018: complete all supporting projects including the decoration engineering of two restaurants that developer self-operated.
10. January 2018: Examination by the municipal government and issuance of Certificate of Occupancy. Restaurants open for business.

Site Plan Approval:

**CITY OF LONG BEACH**  
DEPARTMENT OF DEVELOPMENT SERVICES  
333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • FAX (562)570-6068

---

**NOTICE OF FINAL ACTION**

**Application No.:** 1411-10

**Project Location:** 1570-1598 Long Beach Boulevard

**Applicant:** Zong Fang  
California Investment Regional Center, LLC  
9911 Valley Boulevard  
El Monte, CA 91731

**Permit(s) Requested:** Site Plan Review, Tentative Tract Map No. 73288

**Project Description:** Site Plan Review and Tentative Tract Map No. 73288 for a 3-story, 36-unit residential condominium over a 1-story, 10,000-square-foot commercial condominium area with surface and underground parking (127 total parking spaces) located within PD-29.

**Action was taken by the:** Planning Commission on:  
June 18, 2015

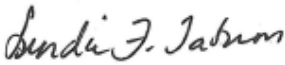
**Decision:** Conditionally Approved


**Action is final on:** June 29, 2015

This project is NOT in the Coastal Zone.

*"If you challenge the action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or issues raised via written correspondence delivered to the (public entity conducting the hearing) at or prior to the public hearing."*

**See other side for City of Long Beach and California Coastal Commission appeal procedures and time limits.**

  
Linda F. Tatum, AICP  
Planning Bureau Manager

  
Monica Der Gevorgian, Planner  
Phone No.: (562)570-6134

District: 1

## Exhibit C: Financial Projection Details

### Historical Ratio-to-Sales; NAICS 722511; Los Angeles-Long Beach-Glendale Metropolitan Area (Industry Financial Report):

Income and Expense- Profit and Loss %					
	2010	2011	2012	2013	2014
Business Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales	43.53%	42.84%	41.53%	43.03%	51.37%
Cost of Sales - Labor Portion	2.86%	3.24%	3.06%	2.32%	3.69%
Gross Margin	56.47%	57.16%	58.47%	56.97%	48.63%
Officers Comp.	4.04%	3.31%	3.28%	3.42%	4.35%
Salary-Wages	16.90%	17.06%	17.56%	17.29%	22.01%
Rent	7.04%	7.02%	7.08%	7.26%	8.79%
Taxes Paid	3.82%	3.84%	4.00%	4.18%	4.92%
Advertising	1.84%	2.09%	2.16%	2.19%	2.65%
Benefits-Pensions	0.67%	0.71%	0.75%	0.95%	0.84%
Repairs	1.55%	1.59%	1.47%	1.74%	1.80%
Bad Debt	0.01%	0.01%	0.06%	0.03%	0.04%
Sales, General, Admin & Misc.	13.61%	13.48%	14.18%	13.55%	17.98%
EBITDA	6.99%	8.05%	7.93%	6.36%	-14.75%
Amortization Depreciation Depletion	1.75%	1.90%	2.07%	2.16%	2.47%
Operating Expenses	51.23%	51.01%	52.61%	52.77%	65.85%
Operating Income	5.24%	6.15%	5.86%	4.20%	-17.22%
Interest Income	0.04%	0.05%	0.04%	0.04%	0.05%
Interest Expense	0.92%	0.53%	0.71%	0.70%	0.81%
Other Income	1.08%	0.99%	0.92%	0.95%	1.14%
Pre-Tax Net Profit	5.44%	6.66%	6.11%	4.49%	-16.84%
Income Tax	0.84%	1.15%	1.09%	0.67%	0.00%
After Tax Net Profit	4.60%	5.51%	5.02%	3.82%	-16.84%
Discretionary Owner Earnings	10.39%	10.72%	10.37%	9.40%	-10.02%

## Exhibit D: TEA Designation



**GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT**  
STATE OF CALIFORNIA • OFFICE OF GOVERNOR EDMUND G. BROWN JR.

May 13, 2015

Department of Homeland Security  
U.S. Citizenship and Immigration Services (USCIS)  
California Service Center  
24000 Avila Road, 2nd Floor  
Laguna Niguel, CA 92677

**To Whom It May Concern:**

Section 204.6(i) of Title 8, Code of Federal Regulations (CFR) governing alien entrepreneur immigrant visa petitions under the USCIS administered EB-5 visa program authorizes the state government of any state of the United States to designate a particular geographic or political subdivision located within a metropolitan statistical area (MSA) or within a city or town having a population of 20,000 or more within such state as a high unemployment area if the area experienced an unemployment rate of at least 150 percent of the national average.

The designation and certification of high unemployment areas in the State of California under *8 CFR §204.6 paragraphs (i) and (j)(6)(ii)* – including certification of high unemployment areas within any MSA or qualified area such as a census designated place (CDP) within an MSA – has been delegated to the Governor's Office of Business and Economic Development. Such certification is based on official estimated unemployment data provided by the Employment Development Department of this state.

The national average unemployment rate for calendar year 2014, as calculated by the U.S. Bureau of Labor Statistics, was 6.2% requiring an unemployment rate of 9.3% or greater for "high unemployment area" eligibility.

A request for a Targeted Employment Area certification of a high unemployment area has been received from California Investment Regional Center with respect to a new business or project named Long Beach Garden Home, at the addresses of 1570, 1580, 1589 Long Beach Blvd, Long Beach, County of Los Angeles, California. The 2014 unemployment data for the State of California, as provided by the Labor Market Information Division of the California Employment Development Department shows a 10.61% unemployment rate for the census tract that contains the location where the new enterprise is principally doing business.

This unemployment rate was calculated based on the Census Share Methodology prescribed by the U.S. Department of Labor for all states in designating high unemployment areas under the Immigration Act of 1990. The Census Share Methodology indicated that the unemployment rate of

(916) 322-0694 • [business.ca.gov](http://business.ca.gov) • 1325 J Street 18<sup>th</sup> Floor, Sacramento, California 95814, USA

the designated area consisting of the listed census tracts was over 150 percent of the national unemployment rate for calendar year 2014.

Therefore, in accordance with the cited federal regulations, the Governor's Office of Business and Economic Development is hereby certifying that the County of Los Angeles census tract 5753 is having the requisite high unemployment rate to be a Targeted Employment Area, for the purposes of alien entrepreneur visa requests. 8 CFR sections 204.6(h)(i) and (j)(6)(ii).

This certification is valid for one year from the date of approval. Unemployment estimate data will be published for calendar year 2015 on May 1, 2016. The Census Share Methodology will continue to be used in subsequent years and, given the uncertainties about the area's unemployment rate and the national unemployment rate there is no guarantee that this area will continue to remain a high unemployment area ("targeted employment area").

Sincerely,



Brian Peck  
Deputy Director