

Agenda Item Details

Meeting	Aug 14, 2018 - Bryan City Council Second Regular Meeting
Category	7. Regular Agenda - This agenda consists of items requiring individual consideration by Council.
Subject	B. Consider authorizing the Mayor to request that the U.S. Citizenship and Immigration Services (USCIS), Immigrant Investor Program Office recognize census tract 6.03 as a certified Targeted Employment Area (TEA) per the guidelines under the EB-5 Immigrant Investment Program.
Type	Action
Preferred Date	Aug 14, 2018
Absolute Date	Aug 14, 2018
Fiscal Impact	No
Budgeted	No
Budget Source	None required
Recommended Action	Motion to authorize the Mayor to request that the U.S. Citizenship and Immigration Services (USCIS), Immigrant Investor Program Office recognize census tract 6.03 as a certified Targeted Employment Area (TEA) per the guidelines under the EB-5 Immigrant Investment Program.
Goals	Economic Development Service Quality of Life

Summary: The purpose of the U.S. Citizenship and Immigration Services (USCIS) EB-5 Immigrant Investment Program is to promote the immigration of people who can help create jobs for U.S. workers through their investment of capital into the U.S. economy. In the EB-5 Program, immigrants who invest their capital in job-creating businesses and projects in the United States receive conditional permanent resident status in the United States for a two-year period. After two years, if the immigrants have satisfied the conditions of the EB-5 Program and other criteria of eligibility, the conditions are removed and the immigrants become unconditional lawful permanent residents of the United States. To qualify, individuals must invest \$1 million in a commercial enterprise that creates 10 full time jobs. The investment requirement of \$1 million is reduced to \$500,000 if an investment is made in a Targeted Employment Area (TEA).

The applicant/petitioner for the program is vetted by the USCIS operational teams in collaboration with the Fraud Detection and National Security directorate and other national security, public safety law enforcement, and regulatory authorities. Assets acquired, directly or indirectly, by unlawful means (such as criminal activities) shall not be considered. The USCIS is solely responsible for all monitoring of the program. The City of Bryan is only responsible to request that an area be considered as a TEA and the USCIS will make the final determination.

The determination of eligibility for a prospective TEA includes the unemployment level must be at least 150% of the 2017 average national unemployment rate. Calculations are based on analysis of labor force data and the application of the census-share method, as described in the U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics Program Manual.

For the proposed TEA, the unemployment calculations were made using the American Community Survey 2012–16 data for the purpose of establishing ratios of census tract-to-county shares of employment and unemployment. Furthermore, county-level unemployment was obtained from the Bureau of Labor Statistics 2017 annual Local Area Unemployment Statistics. These data sets were used to determine the qualifying subareas with unemployment meeting or exceeding the current required threshold of 6.6%. According to that data, the 2017 unemployment rate in the area composed of the census tract 6.03 in Brazos County is 7.0%, which exceeds the threshold rate of 6.6%, or 150% of the 2017 average national unemployment rate of 4.4%, according to the Bureau of Labor Statistics.

Census Tract 6.03 covers the area that lies (Figure 1) within West State Highway 21 and West William Joel Bryan Parkway, Highway 2818, Beck Street, Main Street, and Texas Avenue.

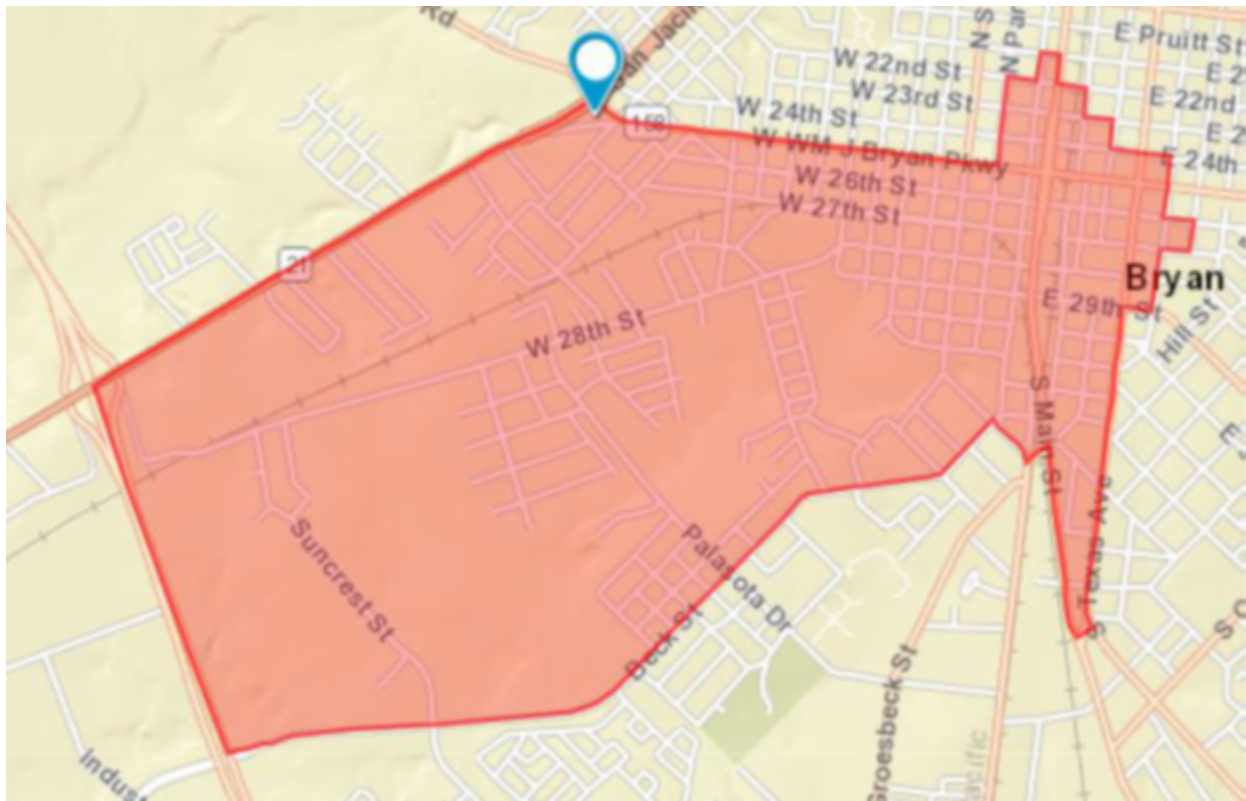


Figure 1. Census tract 6.03 in "red", City of Bryan, Brazos County

If the USCIS Immigrant Investor Program Office accepts census tract 6.03 (Shown in Figure 1.) as an area with high unemployment (at least 150% of the national unemployment rate = 6.3 % using 2017 data), then this area becomes available to foreign investors as part of the EB-5 Immigrant Investment Program. Moreover, in 2011, local mayors and county judges were authorized to designate TEAs for this program. Currently, only this census tract has been identified within the City limits of Bryan as one that could qualify to meet the threshold of 150% of the national unemployment rate.

This request is being brought forward by Economic Development staff as a way to attract EB-5 Foreign Direct Investment (FDI) and job creation. From inception of the program to 2016, the US has had a FDI of \$16,863,000,000 attributed to the EB-5 Program. Texas alone has had a FDI of \$818,670,000 and an estimated 14,310 jobs created from the EB-5 Program. Economic Development staff has had two (2) requests for the City to designate a TEA in census tract 6.03 (Figure 1) in 2018 to be used in the EB-5 program. One request was as recent as four (4) weeks ago.

Staff Analysis and Recommendation: Staff recommends that the City Council authorize the Mayor to sign a letter to the U.S. Citizenship and Immigration Services (USCIS) designating census tract 6.03 as a Targeted Employment Area (TEA) to attract foreign direct investment through the USCIS's EB-5 Program.

Options:

1. Authorize the Mayor to sign the USCIS letter authorizing the census tract area 6.03 to be considered as a Targeted Employment area under the EB-5 program regulations.
2. Do not authorize the Mayor to sign the letter and provide direction to City staff.

Attachments:

1. EB-5 Adjudications Policy Memorandum
2. Draft Letter for Mayor Nelson's signature
3. Census Tract 6.03 calculation sheet

EB-5 Adjudications PM (Approved as final 5-30-13).pdf (235 KB)

Letter from Mayor Andrew Nelson to USCIS for Census Tract 6.03 to be considered a TEA.pdf (1,813 KB)

Step-Through Calcs 2017 Unemployment Rate - Census Tract 6.03.pdf (48 KB)

Motion & Voting

Motion to authorize the Mayor to request that the U.S. Citizenship and Immigration Services (USCIS), Immigrant Investor Program Office recognize census tract 6.03 as a certified Targeted Employment Area (TEA) per the guidelines under the EB-5 Immigrant Investment Program.

Motion by Buppy Simank, second by Mike Southerland.

Final Resolution: Motion Carries

Aye: Andrew Nelson, Buppy Simank, Mike Southerland, Prentiss Madison

Nay: Greg Owens, Reuben Marin