

APPROVED
ECONOMIC DEVELOPMENT ADVISORY BOARD (EDAB)
MEETING MINUTES
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
WEDNESDAY, APRIL 13, 2011 – 3:45-5:15 P.M.

Board Members	Attendance	Present	Absent
Dev Motwani, Chair	A	2	2
Sheryl Dickey, Vice Chair (arr. 3:58)	P	4	0
Miya Burt-Stewart	P	4	0
Al Calloway	P	4	0
Christopher Denison	P	4	0
Cary Goldberg	A	2	1
Jason Hughes	P	4	0
George Mihaiu	P	3	1
Cort Neimark	P	3	1
Ralph Riehl	P	2	2
Adam Sanders	A	2	2

At this time, there are 11 appointed members to the Board, which means 6 would constitute a quorum.

Staff

Stephen Scott, Economic Development Director
Patricia Smith, Economic Development Secretary III
Amanda Lebofsky, Recording Secretary, Prototype, Inc.

Communications to City Commission

None.

I. Call to Order & Introductions

The meeting was called to order at 3:57 p.m. and roll was called. The Board members, Staff, and guests introduced themselves.

Vice Chair Dickey arrived at 3:58 p.m.

II. Approval of March 9, 2011 Minutes

Motion made by Mr. Riehl, seconded by Ms. Burt-Stewart, to approve the minutes of the March 9, 2011 meeting. In a voice vote, the **motion** passed unanimously.

III. Future of Water Transportation in Fort Lauderdale

Bill Walker, co-owner of Water Transportation Alternatives (WTA), gave a PowerPoint presentation on this business. He explained that one of the company's operations is the Water Taxi of Fort Lauderdale; WTA also owns and operates Boston's Best Cruises in Massachusetts. The company was developed in 1996 and operates 363 days per year at roughly 5000 hours per vessel, handling approximately 350,000 customers. The vessels were designed to provide high-speed service with a smooth ride and good value. Mr. Walker noted that within five minutes, each vessel can load and unload 3000 passengers at their facilities, with ADA access on gangways and docks. He described some of the company's seasonal operations in Boston, including whale-watching ventures and visits to national parks.

WTA purchased the Water Taxi service from its previous owner in 2007, including its initial five vessels. Additional vessels have been added since that time. Mr. Walker showed the Board slides of the vessels used by Water Taxi, noting that the service provides a direct connection between Fort Lauderdale and the cruise ship market. They have expanded into South Beach and Hollywood as well, with the Hollywood market carrying an average of 250-300 passengers per day going both ways. WTA also markets local businesses on board its vessels: while they do not "sell billboard space," as land taxi services do, the vessels' captains promote businesses in and around Fort Lauderdale. Mr. Walker added that Water Taxi helps reduce both traffic and the demand for parking throughout the City.

Water Taxi provides a family of different services, using both large and small vessels to carry residents and visitors. One of WTA's concerns is helping customers understand the Water Taxi system as it grows. Mr. Walker noted that including Water Taxi stops in the City and County information systems is very important, as consumer demographics show that many customers do not understand how to access the system. They also facilitate easy ticketing, boarding, and disembarking. Previously, customers received a paper ticket that allowed them to use the Water Taxi all day. Recently WTA has begun to integrate some of the systems in use in Boston, such as pre-selling tickets.

Mr. Walker said Water Taxi provides an all-day pass, which offers extended service hours, discounted tickets, and value-added programs. WTA's technology allows customers to be informed of real-time Water Taxi locations and estimated travel times between stops. Each Water Taxi stop is considered a gateway into Fort Lauderdale, and every stop has its own identity. Although the service takes place on the waterways, WTA offers "cruise and save" discounts to over 80 businesses, which allows a customer to show his or her Water Taxi ticket and receive a discount at destinations and services throughout the City. Recent

innovations include a “Partner of the Month,” which is a local business that promotes and is promoted by Water Taxi.

Mr. Walker said the City and County should seek experienced operators for water transportation service. Safety and ADA access is also an important goal for WTA. The company is sensitive to environmental needs as well, including vessel wakes, emissions, and fuel consumption. He advised that the City should ensure that other water transportation providers share concerns regarding the environmental impact on the waterway system.

Mr. Walker continued that when WTA purchased Water Taxi, dock sites were “scattered all over Fort Lauderdale.” Since then they have invested in a facility to serve as a base of operations for vessels. He said the number of licenses issued by the City should be controlled to ensure both cruise and passenger water transportation services offer a quality product. He noted that licenses should be offered for a longer time period than two years, as financial institutions consider the length of a business’s ability to operate in and around the City. Licenses in Boston are for “ten-plus years” to allow sufficient time for investment in and development of a business.

Ms. Burt-Stewart asked where Water Taxi goes in the city of Hollywood. Mr. Walker said Hollywood service began in December 2010, starting with two destinations. They are in the process of adding two additional stops in Hollywood. The service then goes to the 17 Street Bridge, where passengers can transfer to a vessel that travels the Fort Lauderdale system.

Mr. Mihaiu commended the Water Taxi service as “one of the best things that has happened to Fort Lauderdale.” He pointed out that the service is regularly used by residents such as himself as well as promoting tourism within the City.

Mr. Hughes requested more information on Water Taxi services for Fort Lauderdale residents. Mr. Walker said WTA works with the Convention Visitors’ Bureau to foster use by Broward County residents, including a “buy one get one free” program. This program includes access to express vessels and to Hollywood. WTA also has a Moonlight Madness program through which tickets purchased after 7 p.m. are only \$10. He said this promotion has increased service during Water Taxi’s extended hours.

Mr. Hughes asked if there are programs directed specifically at part-time residents, such as a three-month pass. Mr. Walker said currently WTA offers an annual pass, but does not have shorter-term passes due to the complexity of ticketing for water transportation. They are, however, working with an outside company that allows remote ticketing operations, and they are very interested in expanding ticketing functions.

Mr. Neimark asked if WTA has statistics on whether or not it is used as a commuter system as well as for tourism and sightseeing. Mr. Walker said while there are no specifics on this use, he estimated that it is more of a tourism-based operation, although some individuals may use Water Taxi to commute to and from work. Scheduling at stops is similar to that of a bus service, and vessels may be hailed from stops as they proceed up and down the river.

Mr. Neimark asked if Water Taxi assists with "DUI control" by encouraging passengers to use their service rather than driving. Mr. Walker said this aspect of the service has not been promoted, although it is a viable use. Customers have also proposed their own promotions, including a "pub crawl" in 2010 that served as a fundraiser for breast cancer research.

Mr. Scott asked if there are specific programs geared toward encouraging cruise passengers to stay longer in Fort Lauderdale. Mr. Walker said Water Taxi has had experience with large groups of passengers from cruise ships using their service, and has worked with companies in the cruise ship industry that have included Water Taxi services in packages for customers. He explained that three of the vessels used in Boston for national park trip services are used in the Fort Lauderdale area as "Cruiser Express" vessels in the winter. Advertising for this use is geared toward cruise ship passengers who have a few hours to experience the City's waterways.

Mr. Scott asked what the City might be able to do to help WTA increase their business. Mr. Walker said Water Taxi employs 85 people, and noted that business has begun to increase in the summer season. He said information on how to access the Water Taxi system, such as signage throughout the City and integration into City maps and websites, would promote ease of use of Water Taxi services. Onshore ticketing facilities would also be an improvement, as he noted tickets cannot be sold off the boats under licensing by-laws. He concluded that if the vessels' captains and crew could spend less time ticketing customers, they could be more effective as ambassadors for Fort Lauderdale.

Mr. Riehl agreed that water transportation licensing should be good for more than two years, and said one of the most commonly asked questions on the beach is how to access the Water Taxi.

Mr. Calloway asked what jobs are created by Water Taxi other than those of vessel captains and crew. Mr. Walker said there are office workers, accountants, general manager and supervisors, and maintenance workers. There are also five employees who act as ambassadors at high-traffic facilities such as Beach Place and 17 Street Bridge. Mr. Calloway asked what percentage of WTA employees are minorities. Mr. Walker estimated that 12%-16% of workers are minorities, and noted that minorities are represented in all available jobs, including captains and crew.

Mr. Denison said he often hears comments that it is “hard to get across the river,” and noted that some prospective passengers may not want to purchase a ticket at full price just to cross the New River. He asked if WTA might consider a service that ties the north and south sides of the river together. Mr. Walker said WTA is not happy with its current system of ticketing, which is neither user- nor business-friendly, and agreed that abbreviated service such as crossing the river should be ticketed at a lower price. He said focus groups are also looking into the best way to use the existing fleet, as well as how to expand its uses.

Mr. Riehl asked if the Board should take a position on extending water transportation licenses beyond two years. Mr. Scott advised that at present, the Board may not fully understand the issues at stake; he said he would provide more information on these issues at the next meeting, at which time they might consider taking a position on licensing.

The Board thanked Mr. Walker for his presentation.

IV. EB-5, Creating Jobs in Fort Lauderdale

Vice Chair Dickey introduced attorney Larry Behar. Mr. Behar is a longtime resident of south Florida and a former chairman of the Broward Alliance. He explained that EB-5 stands for Employment-Based 5th Preference, meaning that the U.S. government has created a niche category in which it encourages job creation as a first priority and the attraction of foreign capital as a second priority. He explained that EB-5 communities which use foreign capital to develop their projects in and around communities with high unemployment or located in rural areas. Mr. Behar said his office represents 12 different regional centers nationwide, with each regional center consisting of “a geographical area that has been defined to develop a platform that allows foreign nationals to... contribute to the economic growth and well-being of [certain communities] in the United States.”

There are currently 125 such regional centers in the nation, with different levels of activity. Locally, Mr. Behar said the first EB-5 community was at Lake Buena Vista in Orlando. His office has also obtained regional center designation for an organization that is building a multi-use high-rise residential condominium/hotel/retail operation in Hollywood, and another area in Hollywood Beach is being considered.

He explained that the idea is to allow a sponsor the ability to create sufficient capital to build their projects, or to save troubled businesses in a community and preserve the jobs those businesses had created. There are presently no projects underway in Fort Lauderdale; Mr. Behar said he hoped to be able to establish a regional center in the Fort Lauderdale community.

He continued that the participation of Economic Development and other governmental entities are very important to the foreign nationals that may invest in an EB-5 program. Each investor family must invest at least \$500,000 in a project to be able to qualify, and the project sponsor must generate no less than 10 new jobs per investor family. This means if the project has 10 investor families, it is legally obligated to create 100 jobs.

Mr. Behar said the EB-5 program is a Congressionally mandated program that has been in existence since 1990 and was designed to create jobs for Americans and stimulate investment. These programs are an opportunity to qualify foreign nationals who are interested in permanent residence in the United States. Mr. Behar said the main reason foreign nationals want to reside in the U.S. is to allow their children to acquire a United States education.

He advised that because the U.S. capital markets have dried up, the potential of foreign capital could attract hundreds of millions of dollars. Projects that have been handled through his office include solar projects, cancer treatment facilities, and resorts, among others. Investors are seeking safe investments with a return of principal at competitive rates on an annual basis. Mr. Behar clarified that investments must be from individual sponsors and not from corporations or other entities.

Investors receive green cards, which benefit them and their immediate families and ease their international travel, as they can use green cards to enter and exit the country rather than using a visa. Many investors develop new businesses while in the U.S. as well as maintaining their businesses abroad. Once the investor has acquired U.S. residency, he or she may live anywhere in the country, irrespective of the location of their regional center.

In order to qualify, an investor must be able to review the project's prospectus, have a valid passport, have a net worth of \$1 million or more, have no criminal record, and be prepared to invest at least \$500,000 plus expenses within 60 days. Individuals of any nationality may apply. They can provide a list of immediate family members under the age of 21 to be included in the program, and must demonstrate that the funds are legal and the source of funds is identifiable. Income for the last two years must be greater than \$200,000; the investor must produce tax returns for the last five years and must retain independent advisory counsel. In the case of a nation that does not have tax returns, a narrative must demonstrate how the investor was able to acquire the necessary funds and show that they were accumulated in a lawful manner.

Individual investors are relatively young, Mr. Behar noted, and are often seeking a new or continuing career. They may work anywhere in the U.S. as lawful residence holders. Funds may be produced as wire transfers or loans in order to

qualify with \$500,000; funds may also be inherited or “gifted.” Retained earnings may not be used.

Mr. Behar explained that there is a six-month timeline during which the investor accesses the regional center by website or by mail. They receive a description of the project. They must sign the necessary documents while still offshore, and may not be solicited while in the U.S., as the business is not registered with the Securities and Exchange Commission (SEC). Funds may be wired into a trust account in the U.S. Investors receive a detailed questionnaire, which allows them to determine whether or not they will have an issue with the process; if this occurs, their money is refunded. Once they are accredited, however, the deposit and administration fee become nonrefundable. At the IA-29 level, the investor must demonstrate that the business plan for the regional center has been executed, including the creation of the 10 jobs per investor family, before the green card application is finalized. When this is complete the investor and his family may apply for U.S. citizenship.

Mr. Behar said the Board has been instrumental in helping with the development of the beach area, as well as the expansion of individual businesses. He concluded that this is what the EB-5 program is all about, and as long as the project can create jobs “at any level,” from minimum-wage to high-income, an investor is eligible to become EB-5 compatible.

Mr. Denison asked if a group of investors who are interested in acquiring an existing facility are also eligible for the program. Mr. Behar said as long as the entity was created after 1990, they are eligible; a corporation formed prior to this date would require the restructuring of a new entity.

Mr. Denison asked if there is a minimum number of investors necessary to participate. Mr. Behar said there is no cap, pointing out that the United States absorbs one million new immigrants each year; the EB-5 program is allocated 10,000, or 1%, of this million. He added that there is no shortage of potential investors seeking a quality project that will return their initial investment of \$500,000.

Mr. Denison requested clarification of the return threshold during which the \$500,000 investment is paid back to the investor. Mr. Behar said this is over a five-year period. He added that the sponsor has two choices when preparing a project: he can have a loan-based project, which includes a loan agreement signed between the foreign investor group, or an equity-based project, which allows the investors to act as direct participants in the project.

Ms. Burt-Stewart asked if the investor must be a foreign national. Mr. Behar said while this is usually the case, there are also hybrid projects that include foreign

and domestic investors. There is no minimum threshold for the number of foreign investors.

Mr. Scott asked what role is played by local government in the EB-5 process. Mr. Behar said this is a twofold question: there is an investor perception issue, as most foreign nationals understand that a governmental entity standing by a project creates a greater depth of trust. On another level, he said he would like a developer from the Fort Lauderdale community take on an EB-5 project. He noted that groups such as the Broward Alliance would like to participate in an EB-5 project if a developer became involved.

Mr. Riehl asked how Mr. Behar and his firm are compensated for their work on EB-5 programs. Mr. Behar said the sponsor is charged a flat fee to bring forward an EB-5 team, which is comprised of economists, business plan writers, SEC attorneys, immigration lawyers, marketing experts, and others. A team of eight people is necessary to create the platform for the creation of a regional center. He advised that compensation is not the primary financial focus: this focus is on the investor cases that happen after the project is approved, as the team receives an exclusive from the developer to handle all investor cases afterward.

Mr. Mihaiu requested further clarification of regional centers. Mr. Behar said these are geographical areas that contain multiple census tracts within it. Most regional centers have multiple projects within them. For example, a project in the town of Davie would give that client the right to set up a regional center for the entire counties of Broward and Dade. A developer can create a regional center of his or her own, or can pay a licensing fee to the existing regional center to use their use for that specific census tract, such as a hotel.

Ms. Burt-Stewart asked if the long-term benefit to investors is primarily U.S. residency and citizenship, and a return on the initial investment. Mr. Behar confirmed this. He noted that the path to citizenship is not necessarily accelerated, but residency is typically gained within a year for investors.

Mr. Denison asked what fee structure would be used for a \$10 million project. Mr. Behar said an entire team is deployed whether the project is for \$10 million or \$100 million; the fee for the team is roughly \$200,000.

Mr. Denison asked if the developer would pay this fee and the team solicits investors. Mr. Behar clarified that the team does no solicitation: they advise the client on how best to globally market the project, such as advising them on where the project may be culturally beneficial or where the EB-5 markets may be found.

Ms. Burt-Stewart asked if the U.S. offers any contribution toward these projects, or simply allows them. Mr. Behar explained that in other countries, governments participate in these projects to help guarantee the return of principal; the U.S.

government does not, but collects a \$6230 fee when applications for these projects are submitted, as well as a \$1500 fee per investor family. He concluded that all participants benefit from EB-5 programs.

He added that the program is scheduled to sunset in 2012, although it is hopeful that the bill allowing EB-5 programs will be made permanent by that time.

Vice Chair Dickey asked how it is ensured that the deals are financed when the investors have received their return and may opt out of the program. Mr. Behar said there is no guarantee of this financing, and noted that this risk is a fundamental part of the EB-5 program. He pointed out, however, that when due diligence is performed on a regional center, it is important to determine that the investor(s) are going to be “up-front” and have a documented, successful track record.

Ms. Burt-Stewart asked if this meant the loss would be from a dollar standpoint only, and the investors would be able to continue to seek residency. Mr. Behar said as long as the 10 jobs per investor family have been created, this would be true; however, the investor family does not have a guarantee that the jobs will be created in a timely manner. He noted that there have been few cases of unscrupulous investors so far.

Mr. Denison asked for clarification on the unemployment rate necessary to identify and create a regional center. Mr. Behar said unemployment must be 150% of the national average, and added that parts of Broward County meet this criterion.

Vice Chair Dickey likened the project to enterprise zones. Mr. Behar agreed that these are similar to regional centers, although Vice Chair Dickey clarified that for enterprise zones, development must occur within specific census tracts rather than within a broader area. The intent is to create jobs within these particular census tracts.

Vice Chair Dickey said her primary issue was not knowing what bank or other entity would “fill that gap” when the original investors took their money out after the specified period. She noted that all phases of a project may not have been paid for. Mr. Behar used the example of a hotel, which would take “two years to build, two years to stabilize, and then...usually Wall Street will take it up.” He pointed out that the developer would have lined up this new financing before the investors took their return.

The Board thanked Mr. Behar for his presentation.

V. Hollywood Office of Tourism Discussion

As Chair Motwani was not present, this Item would be heard at a subsequent meeting.

VI. Director's Report

Mr. Scott said he would not present a Director's Report at this meeting due to time constraints.

VII. Old / New Business

- **Communications to City Commission**

None.

There being no further business to come before the Board at this time, the meeting was adjourned at 5:32 p.m.

[Minutes prepared by K. McGuire, Prototype, Inc.]



BEHAR LAW GROUP

EB-5 United States Immigration through Investment

*Presented by Larry J Behar,
EB-5 Immigration Attorney*

The EB-5 Program, a Win-Win solution

- ▶ **The EB-5 program is congressionally mandated and overseen by USCIS, it has been in existence since 1990. Congress intended the program to create jobs for Americans and stimulate investment.**
- ▶ **The EB-5 Immigrant Investor Program is an opportunity for qualified foreign nationals interested in permanent residency in the U.S. to reside in America.**



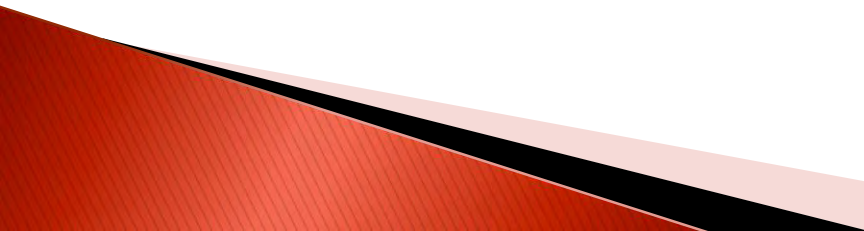
Investors

- ▶ **U.S. Developers need capital.....**
- ▶ **Foreign Investors need a home.....**
- ▶ **Investment in U.S. job creation is your solution!**

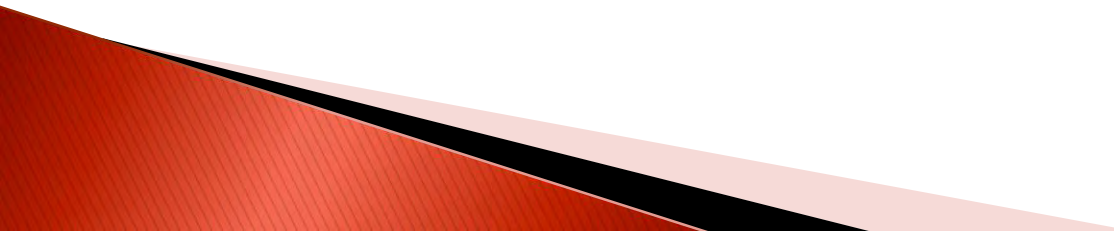
“Foreign Capital for U.S Developers....”



Considerations for Investors

- ▶ **Safety of investment;**
 - ▶ **Return of principal in the business plan;**
 - ▶ **Fair rate of return during process;**
 - ▶ **U.S education for your minor children;**
 - ▶ **Personal investment by the sponsor;**
 - ▶ **Personal and Family Security;**
- 

Considerations for Investors *cont'd*

- ▶ **Green card benefits for investor and immediate family;**
 - ▶ **International Travel Ease;**
 - ▶ **U.S. Travel Ease;**
 - ▶ **Synchronized processing to ensure timely delivery of conditional and full residency.**
- 

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... live ANYWHERE.. a Resort community in Western US.....



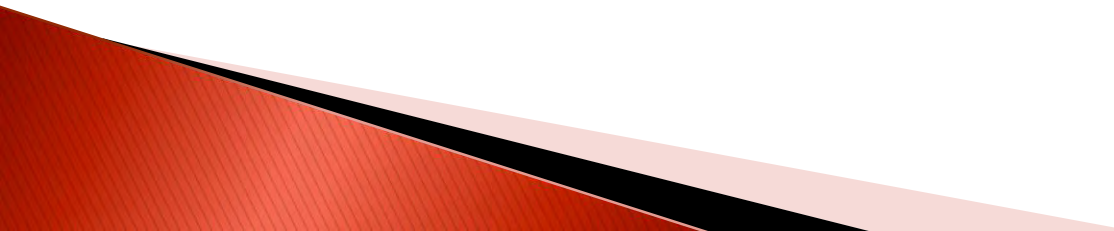
... a Retirement community on the Florida East Coast.....



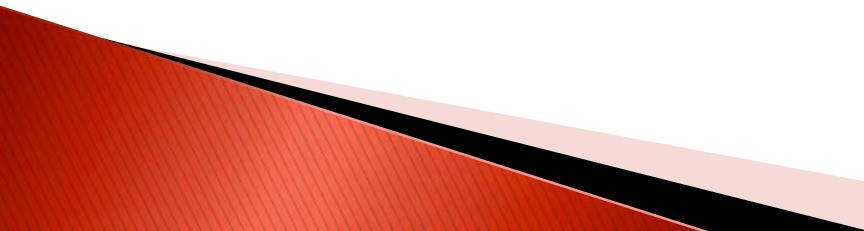
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Investor Qualifications & Accreditations

- ▶ **Review of Prospectus & Exhibits;**
 - ▶ **Valid Passport;**
 - ▶ **All nationalities may qualify;**
 - ▶ **Net Worth Greater Than \$1Million;**
 - ▶ **No Criminal Record;**
 - ▶ **Availability of Funds in 60 Days;**
- 

Investor Qualifications & Accreditations *cont'd*

- ▶ **List of immediate family members and children (*unmarried*) under 21 years of age;**
 - ▶ **Legal and Identifiable Source of Funds;**
 - ▶ **Income Greater than \$200,000.00 in last 2 years;**
 - ▶ **Independent Legal & Advisory Counsel;**
 - ▶ **Five years past tax returns (verifiable).**
- 

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Types of Source of Funds

- ▶ **Wire Transfers**
 - ▶ **Loans**
 - ▶ **Bank Statements**
 - ▶ **Cash**
 - ▶ **Financial Support**
 - ▶ **Money Manager/Reports**
 - ▶ **Tax Returns: 5 years**
 - ▶ **Gifts**
 - ▶ **Deposit Slips**
 - ▶ **Inheritance**
 - ▶ **Stock or asset sale**
 - ▶ **Savings**
 - ▶ **Business Value**
 - ▶ **Donor source (*for child*)**
 - ▶ **Not applicable: retained earnings**
 - ▶ **Historical narrative**
- 

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Boston, MA



Georgetown University
Washington, DC

Investor Timeline for Visa Processing

▶ Month 1

- **Register Online via our web site, by email, by Fax or in writing and receive a log in number.**
- **Receive a description of the project, wire transfer instructions, a Reservation & Subscription Agreements and an Investor Accreditation Questionnaire.**
- **Investor wires refundable Reservation deposit and Legal Fee to a Bank Trust Account and confirms by signing and returning the Subscription, Reservation, and Fee Agreement.**

Investor Timeline for Visa Processing – *cont'd*

▶ Month 2

- **Receive a Questionnaire, a numbered Offering memorandum and Operating Agreement for review, signatures and return.**
- **Upon accreditation acceptance, your reservation deposit and administrative fee becomes non-refundable.**

Investor Timeline for Visa Processing – *cont'd*

▶ Month 3

- **Investor remits the investment of \$500,000. USD to Bank Escrow Trust account within thirty (30) days and receives Client Portfolio with checklist for submission of documents required for I-526 filing to USCIS.**

Investor Timeline for Visa Processing – *cont'd*

▶ Month 10

- **Receive a Notice of Approval for your temporary Green Card in about 4-7 months and conclude consular processing or adjustment of status in the U.S.**

Investor Timeline for Visa Processing – *cont'd*

▶ Month 25

- **Apply to USCIS to lift the temporary residency I-829 status and receive permanent status within 4-7 months.**

▶ Month 60

- **May apply for U.S. Citizenship.**

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EB-5

UNITED STATES IMMIGRATION
THROUGH INVESTMENT



Foreign Capital • Job Creation

LARRY J. BEHAR
白龙瑞 美国移民律师
Attorney at Law

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