



California
Golden
Fund



Presentation to League of California Cities

Economic Development: Attracting Foreign Direct Investment

October 1, 2015



public + private transactions

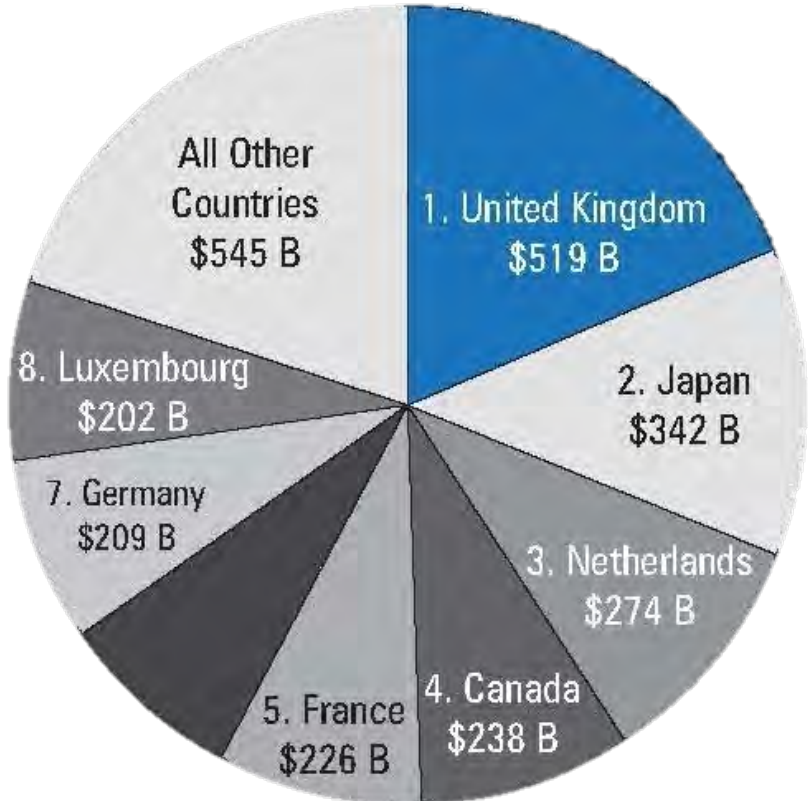
California Golden Fund (Southern California Regional Center, LLC)

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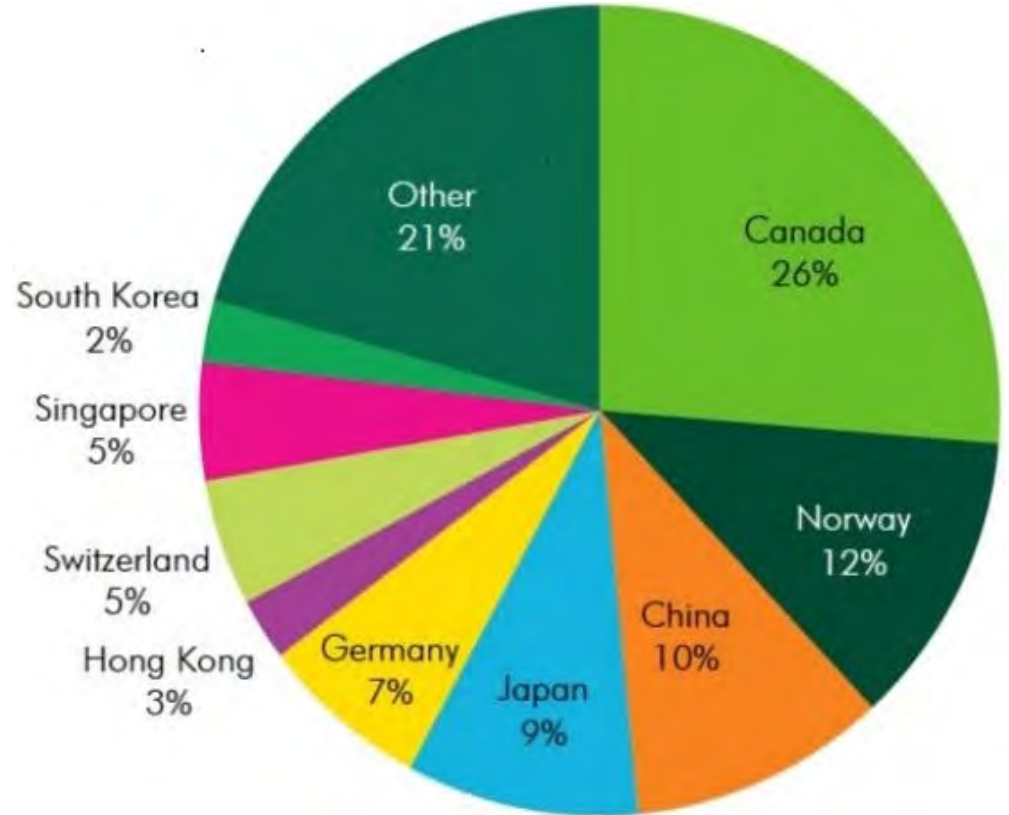
Foreign Direct Investment

Cumulative Foreign Direct Investment in the U.S. by Country through 2013



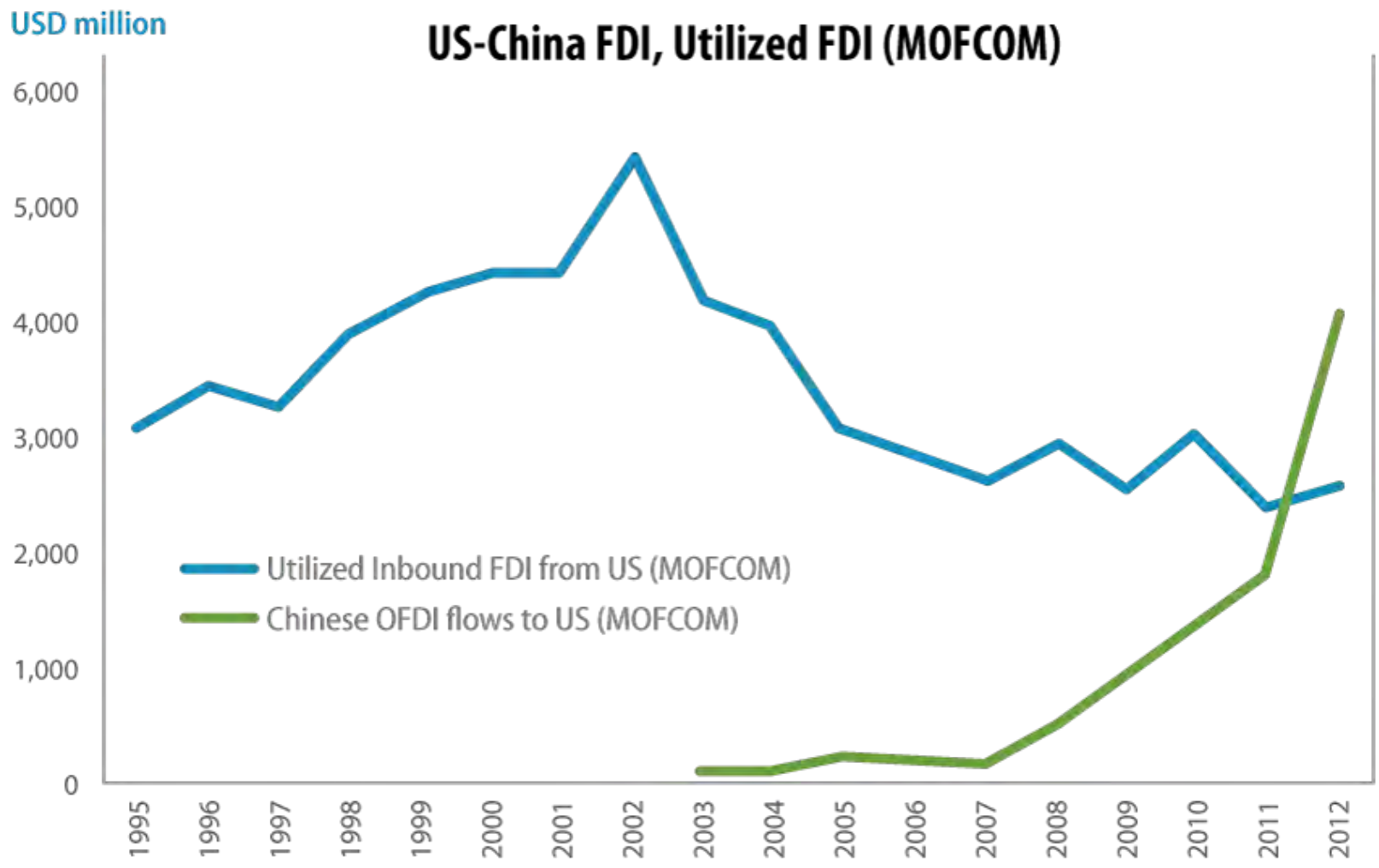
Source: Bureau of Economic Analysis

Top Countries for Foreign Investment in U.S. Commercial Real Estate 2014



Source: Real Capital Analytics, CBRE Research 2014

Foreign Direct Investment



Source: PR China Ministry of Commerce; Rhodium Group.



Foreign Direct Investment

Types of Foreign Direct Investment

- Ownership
- Equity Placement
- Loan
- EB-5

One Size Does Not Fit All

- Location
- Motivations
- Product Types
- Who Are You Dealing With
- Political Factors



Important Factors for U.S. Decision Makers

- Local Presence Of The Investor
- Certainty Of The Investment
- Alternatives Available To Investors
- Level Of “Pain”
- Cultural Differences
- Type Of Foreign Direct Investment
- Competition For Funds



EB-5 Basics

Key Players

- USCIS
- Regional Center
- Developer/Operator
- Immigrant Investor
- Cities
- IRS/FTB

Investor Profile

- Looking to Invest in U.S.
- Desire to Educate Children in US
- Desire to use US Healthcare/other
- Seeks Citizenship

Investment Profile

- 1M or 500k
- Job Creation (10 Per Investor)
- Targeted Employment Areas
- Direct EB-5 vs. Regional Center
- Indirect/Induced/Direct Jobs
- Typical 5.5 Year Time Horizon



EB-5 Basics cont.

Challenges with EB-5

- Chinese Retrogression
- Cost of Capital vs. Current Rates of Other Funding
- Changes to the EB-5 Program
- Dealing With USCIS and SEC
- Movement of Funds from Overseas



How to Make it Work/Attractive Structures

- EB-5 Structure Types
- When Benefits Outweigh the Negatives
- Using EB-5 as a City Official: How to Recognize Opportunities & What Do you Bring to the Table



FDI – EB-5 and Non EB-5

W Hotel



Silicon Beach



Scottsdale Hyatt



Marriot – Orange County



Mixed Use – Santa Monica



California Golden Fund Regional Center

Any Questions?



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