

U.S. Department of Homeland Security
U.S. Citizenship and Immigration Service
Immigrant Investor Program
131 M Street, NE, MS 2235
Washington, DC 20529



**U.S. Citizenship
and Immigration
Services**

TO:

Robert Lewis Trezise
Lansing Economic Development
Corporation Regional Center
1000 S. Washington Ave., Suite 201
Lansing MI 48910

DATE: January 23, 2018

Application: Form I-924

File Number: RCW10319101741

RCID: ID10319101741

NOTICE OF TERMINATION

This letter shall serve as notification that U.S. Citizenship and Immigration Services (“USCIS”) has terminated the designation of Lansing Economic Development Corporation Regional Center (the “Regional Center”) as a regional center under the Immigrant Investor Program (the “Program”) pursuant to Title 8 of the Code of Federal Regulations (“8 C.F.R.”) section 204.6(m)(6). The reasons for the termination are explained, below:

(SEE ATTACHED)

If the Regional Center disagrees with this decision, or if the Regional Center has additional evidence that shows this decision is incorrect, the Regional Center may file a motion or an appeal to this decision by filing a completed Form I-290B, Notice of Appeal or Motion, along with the appropriate filing fee. A copy is enclosed. The Regional Center may also include a brief or other written statement and additional evidence in support of the motion or appeal. The Form I-290B must be filed within 33 days from the date of this notice. If a motion or appeal is not filed within 33 days, this decision is final.

The Regional Center must send the completed Form I-290B and supporting documentation with the appropriate filing fee to the address indicated below.

If using the U.S. Postal Service:

USCIS
P.O. Box 660168
Dallas, TX 75266

If using USPS Express Main/Courier:

USCIS
Attn: I-290B
2501 S. State Highway 121 Business
Suite 400
Lewisville, TX 75067

For an appeal, the Regional Center may request additional time to submit a brief within 30 calendar days of filing the appeal. Any brief, written statement, or evidence in support of an appeal that is not filed with Form I-290B must be directly sent within 30 days of filing the appeal to:

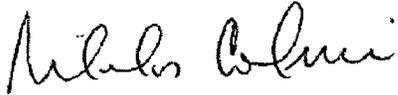
USCIS Administrative Appeals Office
U.S. Citizenship and Immigration Services
20 Massachusetts Avenue, NW, MS 2090

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For more information about the filing requirements for appeals and motions, please see 8 C.F.R. § 103.3 or 103.5, or visit the USCIS website at www.uscis.gov.

Sincerely,



Nicholas Colucci
Chief, Immigrant Investor Program

Enclosure: (1) Form I-290B with instructions
(2) Notice of Intent to Terminate issued on July 5, 2017

cc: Robert Lewis Trezise
500 E. Michigan Ave., Suite 202
Lansing MI 48912

NOTICE OF TERMINATION
Termination of Regional Center Designation Under the Immigrant Investor Program
LANSING ECONOMIC DEVELOPMENT CORPORATION REGIONAL CENTER

The regulation at 8 C.F.R. § 204.6(m)(6) (*Continued participation requirements for regional centers*) provides:

(i) Regional centers approved for participation in the program must:

(A) Continue to meet the requirements of section 610(a) of the Appropriations Act.

(B) Provide USCIS with updated information annually, and/or as otherwise requested by USCIS, to demonstrate that the regional center is continuing to promote economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area, using a form designated for this purpose; and

(C) Pay the fee provided by 8 CFR 103.7(b)(1)(i)(XX).

(ii) USCIS will issue a notice of intent to terminate the designation of a regional center in the program if:

(A) A regional center fails to submit the information required in paragraph (m)(6)(i)(B) of this section, or pay the associated fee; or

(B) USCIS determines that the regional center no longer serves the purpose of promoting economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.

(iii) A notice of intent to terminate the designation of a regional center will be sent to the regional center and set forth the reasons for termination.

(iv) The regional center will be provided 30 days from receipt of the notice of intent to terminate to rebut the ground or grounds stated in the notice of intent to terminate.

(v) USCIS will notify the regional center of the final decision. If USCIS determines that the regional center's participation in the program should be terminated, USCIS will state the reasons for termination. The regional center may appeal the final termination decision in accordance with 8 CFR 103.3.

(vi) A regional center may elect to withdraw from the program and request a termination of the regional center designation. The regional center must notify USCIS of such

election in the form of a letter or as otherwise requested by USCIS. USCIS will notify the regional center of its decision regarding the withdrawal request in writing.

I. Procedural History

On April 20, 2010, USCIS designated and authorized the Regional Center's participation in the Program. USCIS sent a Notice of Intent to Terminate ("NOIT") on May 2, 2012. After reviewing evidence provided to USCIS on May 24, 2012, the Regional Center's status was reaffirmed on January 24, 2013. On July 5, 2017, USCIS issued another NOIT to the Regional Center which afforded the Regional Center 30 days from receipt of the NOIT to offer evidence in opposition to the grounds alleged in the NOIT. On August 21, 2017, USCIS received a response to the NOIT (the "NOIT Response"), which did not sufficiently address the grounds alleged in the NOIT. Accordingly, USCIS has determined that the Regional Center's participation in the Program should be terminated. Pursuant to 8 C.F.R. § 204.6(m)(6)(v) and through this Notice of Termination, USCIS hereby terminates the Regional Center's participation in the Program.

II. Reasons for Termination

USCIS has determined that the Regional Center no longer serves the purpose of promoting economic growth, including increased export sales, improved regional productivity, job creation, or increased domestic capital investment as required by 8 C.F.R. § 204.6(m)(6).

A. Failure to Continue to Serve the Purpose of Promoting Economic Growth

Regional centers are designated for the promotion of economic growth and must continue to meet the requirements of section 610(a) of the Appropriations Act as amended, and promote economic growth in a manner that does not conflict with requirements for classification under section 203(b)(5) of the Immigration and Nationality Act ("INA"), removal of conditions on lawful permanent residence under section 216A of the INA, and implementing regulations following their designation. According to section 610(a) of the Appropriations Act, economic growth includes increased export sales, improved regional productivity, job creation, or increased domestic capital investment. *See also* 8 C.F.R. § 204.6(m)(6)(ii) ("USCIS will issue a notice of intent to terminate the designation of a regional center in the program if. . . USCIS determines that the regional center no longer serves the purpose of promoting economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.").

The reasons why a regional center may no longer serve the purpose of promoting economic growth are varied and "extend beyond inactivity on the part of a regional center." 75 FR 58962. For example, depending on the facts, a regional center that takes actions that undermine investors' ability to comply with EB-5 statutory and regulatory requirements such that investors cannot obtain EB-5 classification through investment in the regional center may no longer serve the purpose of promoting economic growth. *See* Section 610(a)-(b) of the Appropriations Act (stating that one purpose of a regional center is

to concentrate pooled investment in defined economic zones and accomplishing such pooled investment by setting aside visas for aliens classified under INA 203(b)(5)). Likewise, a regional center that fails to engage in proper monitoring and oversight of the capital investment activities and jobs created or maintained under the sponsorship of the regional center may no longer serve the purpose of promoting economic growth in compliance with the Program and its authorities.

When derogatory information arises (such as evidence of inaction, mismanagement, theft, or fraud by the regional center or related entities), USCIS weighs all relevant factors in the totality of the circumstances to determine whether the regional center is continuing to serve the purpose of promoting economic growth. Such factors may include the seriousness of the derogatory information, the degree of regional center involvement in the activities described in the derogatory information, any resulting damage or risk imposed on investors and the economy, as well as any mitigating, corrective, or restorative actions taken or forthcoming to redress the situation.

USCIS has considered all evidence in the record including evidence provided in response to the NOIT “for relevance, probative value, and credibility, both individually and within the context of the totality of the evidence,” in determining whether the Regional Center’s continued participation is justified under the regulations by a preponderance of the evidence. *See Matter of Chawathe*, 25 I&N Dec. 369, 376 (AAO 2010). For the reasons set forth below, USCIS has determined by a preponderance of the evidence that the Regional Center no longer serves the purpose of promoting economic growth in compliance with the Program.

1. Lack of Regional Center Activity

As noted in the NOIT, the Regional Center’s Form I-924A filings for fiscal years 2011, 2012 2013, 2014, 2015, 2016 and 2017 do not report any EB-5 capital investment or job creation. In addition, although USCIS designated the Regional Center on April 20, 2010, the Form I-924A filings do not report any pending or approved Forms I-526 filed by petitioners who have made or are actively in the process of making investments associated with the Regional Center.

USCIS records indicate that the Regional Center has provided a response to the NOIT, but the Regional Center’s filings do not otherwise indicate that it has conducted activity that serves the purposes of the Program, including the “purpose of concentrating pooled investment” as required by section 610(a) of the Appropriations Act¹.

In its response to the NOIT, the Regional Center provided the following evidence:

- Memo from Robert L. Trezise, Jr., dated August 4, 2017;
- Red Cedar Renaissance Preliminary Job Creation Analysis;

¹ USCIS Policy Manual, Volume 6, Part 6, Chapter 3.

- RCRD Site Plan;
- RCRD Local and State Approval Timeline; and
- Target Employment Area (TEA) Designation.

The memo from Robert L. Trezise, Jr. states that "the City of Lansing and [the Regional Center] has used the EB-5 Program to promote economic growth, increase export sales, improve regional productivity, job creation, and increase domestic capital investment." Mr Trezise explained that the Regional Center engaged in conversations about EB-5 funding for a [REDACTED] project referred to as "SkyVue." However, EB-5 funding was eliminated from the financing after an investment by a Real Estate Investment Trust.

(b)(4)

Trezise's memo further states that the Regional Center was "working closely" with other Lansing municipal organizations on Red Cedar Renaissance Development ("RCRD") project, a [REDACTED] mixed use development using EB-5 funds that has been in planning stages for seven years.

(b)(4)

Mr. Trezise's memo refers in general terms to a "complicated" financing structure for RCRD, comprising [REDACTED]

(b)(4)

[REDACTED] It said that cancelling LEDCRC's designation could "result in the loss of thousands of needed jobs for Michigan and our urban center in Lansing." The Regional Center had obtained from the State of Michigan a TEA designation for the building site, dated July 27, 2016. The RIMS II analysis by Wright Johnson indicated that RCRD would create [REDACTED] jobs. The timeline for gaining local and state approvals for the project indicates that the project may start construction in May 2018.

On the other hand, the response contained no evidence that the project was "shovel-ready," or that EB-5 investors' capital would actually be used in financing the project. Rather, the documents suggest RCRD has other potential financing streams outside EB-5 available to it and the Regional Center did not establish that it is in any way likely that the project will actually use EB-5 financing at all. The Regional Center provided no financing documents, letters of intent by the JCE requiring EB-5 funding; there were no lender or bond underwriter memos of understanding with the Regional Center, no construction contracts, cost estimates, permits, lease or deed for the property to be developed, or any other evidence that supports Mr. Trezise's claims. The applicant therefore has failed to produce credible evidence showing that the project would actually move forward and that it would actually include the Regional Center's offer of EB-5 financing.

The Regional Center has not provided evidence of any other projects to be sponsored by the Regional Center, and USCIS has no record of any other I-924 amendments or I-526 petitions filed by the Regional Center that relate to any projects that it has sponsored or intends to sponsor.

In addition, Mr. Trezise said the Regional Center was contacting brokers and investment groups over multiple trips to India, China, Italy, and throughout Europe, that it had submitted all necessary annual

reports to USCIS, and continuously promoted the use of the EB-5 program to all development projects in Lansing. While these activities are necessary for the continued operation of any regional center in the EB-5 Program, it does not show that the Regional Center has engaged in activities that promote economic growth *as understood under the EB-5 Program*. Specifically, these actions have not resulted in increased export sales, improved regional productivity, job creation, or increased domestic capital investment in the Regional Center’s designated geographic area. Further, although Trezise said the Regional Center visited numerous countries to talk about its EB-5 investments, he did not indicate that this resulted in attracting any investors to the Regional Center’s proposed projects.

Since none of the documents show evidence of increased export sales, improved regional productivity, job creation, or increased domestic capital investment, resulting from an approved EB-5 project, and the record does not show any credible evidence of any approvable project to use EB-5 financing arranged by the Regional Center, USCIS concludes that the Regional Center no longer serves the purpose of promoting economic growth.

III. Conclusion

For the reasons described above and set forth in the NOIT and pursuant to 8 C.F.R. 204.6(m)(6), USCIS has determined that the Regional Center no longer serves the purpose of promoting economic growth and hereby terminates the Regional Center’s participation in the Program.

If the Regional Center disagrees with this decision, or if the Regional Center has additional evidence that shows this decision is incorrect, the Regional Center may file a motion or an appeal to this decision by filing a completed Form I-290B, Notice of Appeal or Motion, along with the appropriate filing fee. A copy is enclosed. The Regional Center may also include a brief or other written statement and additional evidence in support of the motion or appeal. The Form I-290B must be filed within 33 days from the date of this notice. If a motion or appeal is not filed within 33 days, this decision is final.

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P.O. Box 660168
Dallas, TX 75266

If using USPS Express Main/Courier:

USCIS
Attn: I-290B
2501 S. State Highway 121 Business
Suite 400
Lewisville, TX 75067

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