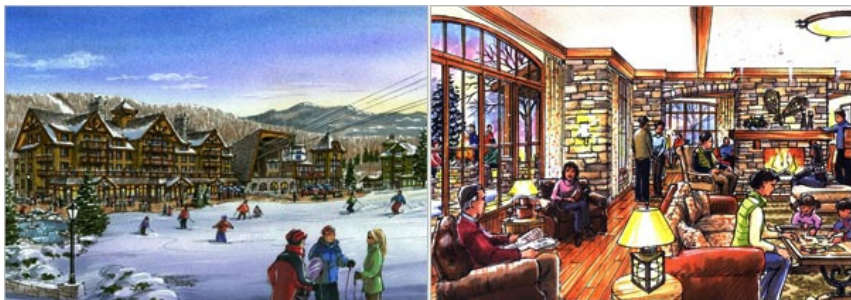


SQUARE FEET | CHECKING IN

For Foreign Investors, Profit Isn't Only Goal



Jay Peak

The Jay Peak ski resort in Vermont is building a new hotel, renderings, with the help of foreigners participating in a federal program that grants legal residency in exchange for investing in certain businesses.

By FRED A. BERNSTEIN
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BRIAN GOULDING recently moved with his wife, Majella, and three young children to Wilmington, N.C. "It's gorgeous here," he said, referring to the region's temperate climate.



But Mr. Goulding also has a strong interest in the colder environs of northern [Vermont](#) and, specifically, the success of a new hotel at the Jay Peak [ski](#) resort, five miles from the Canadian border. If the hotel, expected to open next fall, succeeds, Mr. Goulding and his family, who are from [Ireland](#), will be allowed to remain in the United States.



Paul O. Boisvert for The New York Times

Bill Stenger says that he has received \$17.5 million from 35 foreign investors.

The Gouldings are among the beneficiaries of a program that grants foreigners legal residency in the United States if they invest in job-creating businesses. "If, in two years, the project has delivered the employment to the state of Vermont," Mr. Goulding said, he will receive a permanent green card. "If the project collapses," he said, "I won't."

But Bill Stenger, the president and chief operating officer of Jay Peak, doesn't see much danger of the project failing. At a time when bank loans are becoming harder to get, Mr. Stenger said he had received the money he needs to construct the hotel — \$17.5 million — from 35 investors, all of whom are hoping to become permanent residents of the United States.

Under the program, known as EB-5, a foreigner receives a green card for investing \$500,000 in a business in a rural or high-unemployment area. With currency exchange rates what they are — the dollar has fallen sharply against the euro and British pound — the required investment "is very affordable to many foreigners," Mr. Stenger said.

To tap into that source of capital, Mr. Stenger formed an alliance with Rapid USA Visas, which has offices in [Naples](#), Fla., and in London. The company's clients are looking to make their homes in the United States — in many cases, as retirees in the Sun Belt. (Under the law creating the EB-5 visas, they need never set foot in the state where the money is invested.)

"It's win-win-win," said Steve Yale-Loehr, an EB-5 expert who teaches [immigration](#) law at [Cornell University](#): the business gets capital, residents get jobs and the investor gets a green card.

The program hasn't always been a hit. In the 1990s, what was then the Immigration and

Naturalization Service had a hard time keeping tabs on whether EB-5 investments were creating jobs. “There were fears that the program wasn’t achieving its intended purpose,” Mr. Yale-Loehr said. But the agency, renamed Citizenship and Immigration Services, has since found a way to streamline the process by permitting entities outside the federal government, called regional centers, to screen investors and monitor job creation.

As a result, Mr. Yale-Loehr said, “the EB-5 program has risen from the ashes.” Of the 10,000 EB-5 visas available each year, 5,000 are set aside for investors in regional centers.

Altogether, there are 17 regional centers, Mr. Yale-Loehr said, and about that many applications pending. Mr. Stenger said he worked with state and federal officials to win “regional center” designation for the entire state of Vermont.

Right now, Mr. Stenger said, Jay Peak has room for about 1,800 guests; the new, 78,000-square-foot hotel building is part of a plan to nearly triple that capacity. The building will contain 56 one- and two-bedroom suites and one three-bedroom penthouse, Mr. Stenger said. There will also be a day spa, a Vermont country store, several restaurants and a ski rental center in the building.

Mr. Stenger is also planning another hotel and a water park, which will be financed by 150 EB-5 investors and which will help draw visitors year-round.

Jay Peak isn’t the only resort to benefit from Vermont’s regional center designation. At Sugarbush resort in Warren, Vt., about 60 miles south, an EB-5 program is being used to finance four new buildings. The first — a 40,000-square-foot guest services center, containing stores, equipment rental facilities and space for children’s programs — will break ground this spring. Three condominium hotels will follow, beginning in 2009.

EB-5 investors have to show that the money they are using was earned legally. At Jay Peak, all 35 investors passed that test, according to Mr. Stenger, who noted that, in addition to [Britain](#), there were participants from Canada, Mexico, Scandinavia and South Africa. His company, formally called Jay Peak Ski and Summer Resort, held the investors’ money in escrow until their applications were approved by the federal government, he said.

Mr. Goulding, who is 48 and semiretired from the airplane leasing business, said he wrote his check last April and received his temporary green card six months later. He said that accounting and legal fees added about 10 percent to his \$500,000 investment. He said he expects to receive a permanent green card in 2009.

AFTER five years, the partnership may choose to sell the hotel’s 57 units as condominiums, paying Mr. Goulding his share of the proceeds. Mr. Stenger noted that unlike some businesses that have no tangible assets, the Jay Peak partnership will have the 57 units and the right to sell them. (Technically, each investor will own 1/35 of each one, Mr. Stenger said.)

“The Jay Peak investors appreciate that there’s an exit strategy,” said Douglas Hulme, the chief executive of Rapid USA Visas, who is based in Naples, Fla.

Mr. Stenger said Jay Peak’s EB-5 program is expected to produce 2,000 jobs in the area, which “is very meaningful for this part of Vermont.” Some of the 2,000 are what the government calls “indirect jobs,” meaning they won’t be at Jay Peak itself but at businesses in the surrounding area that will benefit from expansion at the resort.

Mr. Goulding has met with Mr. Stenger, and he said he is satisfied that Jay Peak is “conservatively managed.” And it was a good sign, he said, that when Jay Peak drilled for water for the new hotel, “they hit a gusher.”

When the new hotel is completed, each investor will be entitled to two weeks’ accommodations a year. Mr. Goulding and his family plan to spend those weeks skiing. “Not having a huge amount of snow in Ireland, as in none, Jay Peak provides a wonderful experience,” he said.

He won’t be checking on the business.

“The beauty of an EB-5 for me,” he said, “is that I don’t have any day-to-day responsibilities.”

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EB-5 Invest Visas
Immigration through Investment