

## Local doctors create center to attract foreign investment in exchange for U.S. residency

Premium content from Business First - by Kevin Eigelbach , Staff Writer

Date: Friday, December 3, 2010, 6:00am EST

In an economy in which investment dollars are hard to find locally, a pair of local doctors hope they can lure overseas money to fund projects such as the redevelopment of the former [Colgate-Palmolive Co.](#) building in Clarksville.

Their Midwest Center for Foreign Investment LLC uses an underused U.S. Citizenship and Immigration Services (USCIS) program, called the EB-5 program, that gives foreign nationals resident status in the United States in exchange for investment dollars that create jobs here. (See related item below.)

The doctors' goal is to sign up 200 investors, each of whom would contribute at least \$500,000, for a total investment fund of at least \$100 million, said center co-founder Dr. Robert Robbins, who also is the largest investor in Louisville-based [ZirMed Inc.](#)

So far, they have signed up six investors, and 115 are in the process of applying, said Dr. **Jayesh Sheth**, Robbins' partner in the center.

### Investors pay \$30,000 fee to apply

The center is a for-profit business, with Robbins and Sheth the only partners.

Each investor is required to pay the center a \$30,000 origination fee, and the center also gets 30 percent of the profits from any investments made, Robbins said. The center will act as manager for each contributor's investment and report to the USCIS about the jobs created, Robbins said.

Since the USCIS approved the doctors' application to create the center in July, the partners have been inundated with requests for funds for projects, Robbins said, including Clark's Landing, a proposed redevelopment of 174 acres in southern Clarksville that includes the 56-acre Colgate property.

"We have more projects than you could fund in a lifetime," Robbins said.

The Louisville office of Charlotte, N.C.-based [Grandbridge Real Estate Capital](#) LLC, which plans to underwrite the projects, has been helping the partners sort through the projects.

### Capital is much-needed locally

Originally envisioned as a small city-within-a-city, Clark's Landing has a great location and a lot of potential, but it needs cash, said **Rick Dickman**, Clarksville's redevelopment director.

Potential investors have been few and far between since the economy tanked, he said.

"If they can bring foreign investment in, it's more likely that something could happen than if we were waiting around for investors from the U.S.," he said. "There just isn't any development money out there."

The Colgate property reportedly was sold for \$4.5 million at an auction Nov. 2, but the potential buyers have not been identified.

**Andy Kissal**, senior vice president of real estate for the most recent owner, Pearl River, N.Y.-based Active International, declined to comment on the sale.

### **A capital idea**

The Midwest Center concept appeals to **Bill Weyland**, managing partner of City Properties Group LLC, 214 S. Eighth St., because attracting capital always has been a problem for Louisville, he said.

“At this stage, I think a city like Louisville is in a better position to attract outside capital than it has been in years because of the relative stability of the Midwest,” Weyland said. “Stability looks better (now) than it has in many, many years.”

He sees the center as another possible source of funds for development projects, especially urban redevelopment projects.

“I think Dr. Robbins and Dr. Sheth have a lot of connections overseas,” he said.

The center might help fund several of Weyland’s projects in Louisville, including the planned Indigo hotel on Chestnut Street and a Holiday Inn Express near the Glassworks complex on Market Street.

### **Application weighed 36 pounds**

It took Robbins and Sheth about two-and-a-half years to get the center approved. Their initial application to the USCIS, made in September 2009, weighed 36 pounds and cost more than \$100 to mail, Robbins said.

After six months, the USCIS asked for more information, he said, and four months after the requested information was provided, the USCIS asked for still more.

“We had to do an enormous amount of paperwork,” Robbins said.

The program is quite underused, with fewer than 1,500 immigrants taking advantage of it annually out of an annual quota of 10,000, Robbins said.

Like other regional centers, the Midwest Center for Foreign Investment can invest only in projects inside its region. But individuals don’t have to invest through regional centers.

Another provision of the EB-5 program enables immigrants to make direct investments in projects anywhere in the United States.

The requirements for an individual going it alone are a minimum investment of \$1 million, or a \$500,000 minimum for an investment in a rural area or high-unemployment area within a city, and that the investment create at least 10 jobs directly.

The advantages of going through a regional center are that the minimum investment can be lower; the investor doesn’t have to be directly engaged in the business; and the center takes the responsibility for proving the number of jobs created and for finding the proper investment vehicle and managing the investment for the investor, Sheth said.

The center also is allowed to count indirectly created jobs in the job-creation total, he said.

---

### **| Midwest Center for Foreign Investment LLC**

**Incorporated:** May 4, 2009, in Kentucky

**Business:** Soliciting and managing foreign investments in local projects

**How it works:** It works as a regional center under the terms of the U.S. Citizenship and Immigration Services EB-5 Immigrant Investor program. According to [www.uscis.gov](http://www.uscis.gov), regional centers funnel foreign investment into defined geographic areas. They pool investments from

foreign nationals. Each investor must invest at least \$500,000. The investment also must create full-time employment for at least 10 workers, directly or indirectly. Qualified investments entitle the investor to establish “lawful permanent residence,” or “green card” status, in the United States for themselves and their dependents.

**Owners:** Dr. Robert E. Robbins and Dr. Jayesh Sheth

**Office:** 888 W. Market St.

**Projects funded:** MDofficeManager Inc., a startup medical transcription company scheduled to open in February. The center has made a \$1 million investment in the company, Sheth said. The company is looking for office space in downtown Louisville.

The center also has secured \$1 million in funding to help fund Robinbrooke, an assisted- and independent-living facility in Elizabethtown. Construction is scheduled to begin on the \$12 million project in April, Sheth said.

**Web site:** [www.mcfiusa.com](http://www.mcfiusa.com) |

---

### **Stites attorney also working to lure foreign investors**

With all of the concern about jobs moving overseas, it’s ironic that overseas investment could create jobs in the United States, said Jim Seiffert, an attorney with Stites & Harbison PLLC.

Seiffert is not working with the owners of the Midwest Center for Foreign Investment, but he is trying to line up similar investment opportunities with foreign investors.

Seiffert is trying to link investors with projects through the individual-investor provision of the EB-5 program. It’s a difficult process because he first must find investors, then find the right project for them, then prove to the USCIS that investors’ money is not tainted by, for example, being proceeds from sale of illegal drugs.

He has not made any deals, he said, but he is working with the state’s Kentucky China Trade Center in Beijing, China, to identify interested Chinese nationals.

One advantage of the program is that investors might be interested primarily in establishing U.S. residency and so might be willing to accept less of a return than they would with other investments, he said.



Ron Bath | Business First

Dr. Robert E. Robbins, an owner of the Midwest Center for Foreign Investment LLC, is shown in front of the closed Colgate-Palmolive Co. building in Clarkville. A planned redevelopment of the plant is one investment opportunity Robbins’ investment group is considering.