



U.S. Citizenship
and Immigration
Services

Date: JUL 23 2013

Chaim Katzap
Lion's Property Development Group
59 East 54th Street, Suite 73
New York, NY 10022

Application: Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program
Applicant(s): Chaim Katzap
Re: Initial Regional Center Designation
Lion's Regional Center
RCW1215850682 / ID1215850682

This notice is in reference to the Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program that was filed by the applicant with the U.S. Citizenship and Immigration Services ("USCIS") on June 6, 2012. The Form I-924 application was filed to request approval of initial regional center designation under the Immigrant Investor Program. The Immigrant Investor Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874).

In addition to the Form I-924, the applicant submitted a completed exemplar Form I-526, Immigrant Petition by Alien Entrepreneur, seeking USCIS review and approval of an actual project supported by a comprehensive business plan as contemplated in Matter of Ho, 22 I. & N. Dec. 206 (Assoc. Comm'r 1998).

I. Executive Summary of Adjudication

Effective the date of this notice, USCIS approves the Form I-924 request to designate Lion's Regional Center as a qualifying participant in the Immigrant Investor Program.

- 1. Effective the date of this notice, USCIS approves the Franklin Square Funding, LLC project based on the evidence submitted with the exemplar Form I-526.

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II. Regional Center Designation¹

USCIS approves the applicant's request to focus, promote economic growth, and offer capital investment opportunities in the following geographic area and industry categories:

A. Geographic Area

States	Counties
New Jersey	Camden and Burlington
Pennsylvania	Bucks, Delaware, Montgomery and Philadelphia

B. Industry Categories

NAICS	Industry Name
2362	Non-residential Building Construction
7211	Traveler Accommodation
7225	Restaurant and Other Eating Places
81293	Parking Lots and Garages

III. The Project

Effective the date of this notice, USCIS approves the applicant's request to include the following actual capital investment project supported by an exemplar Form I-526.

Project	Type of Project	Organization Documents	Date of Document
<u>One Franklin Square</u> Geographic Location: Philadelphia, PA Focus of Investment: loan, equity	Exemplar Form I-526 Petition Project	Business Plan	Dated 05/30/2012
		Amended Economic Analysis	Dated 04/08/2013
		Operating Agreement	Submitted 06/06/12
		Confidential Private Placement Memorandum	Dated 06/04/2012
		Subscription Agreement	Submitted 06/06/2012
		Amended Limited Partnership Agreement	Dated 05/25/2012
		Escrow Agreement	Submitted 06/06/2012
		Loan Agreement	Submitted 06/06/2012
		Operating Agreement	Submitted 06/06/2012

¹ USCIS issued a Policy Memorandum (PM-602-0083) on the subject of "EB-5 Adjudication Policy," dated May 30, 2013, stating that formal amendments to the regional center designation are no longer required when a regional center changes its industries of focus or geographic boundaries. A regional center may still elect to pursue a formal amendment by filing Form I-924 if it seeks certainty in advance that changes in the industries or the geographic area will be permissible prior to filing Form I-526 petitions.

Note: If changes to this project and its supporting documents are found in subsequent Form I-526 or Form I-829 petitions, USCIS will review the supporting documents once more to ensure compliance with EB-5 program requirements.

The proposal identifies the new commercial enterprise ("NCE") of the project as LRC Franklin Square, LP, which was formed in the State of Pennsylvania on May 14, 2012. The project, One Franklin Square, is located at 421 Race Street in the City of Philadelphia, Pennsylvania. [REDACTED] Immigrant investors will (b)(4) subscribe to the NCE as limited partners in exchange for capital contributions of \$500,000 each and an aggregate of [REDACTED] (b)(4)

The NCE will loan the [REDACTED] of EB-5 capital to a third-party entity, Franklin Square Funding, LLC. The EB-5 capital loan proceeds will be used to finance the proposed project. The development involves the construction/renovation and operations of a 196,000 square foot building, which will include 50,000 square feet of restaurant and retail space (including a Toby Keith Restaurant), a 220 car-parking garage, and a 174-room hotel. A 90,000 square foot building currently occupies the site. The current building will be reconfigured and the hotel, a Hilton Garden Hotel, will be built on top of the existing structure. The projected total cost of the project is [REDACTED]. The project will take more than two (2) years to complete and will generate approximately [REDACTED] jobs. (b)(4)

A. Job Creation

USCIS approves the geographic area and industry categories noted above based on the economic impact analysis presented and reviewed in conjunction with the adjudication of this capital investment project. The job creation methodology presented in the economic impact analysis and underlying business plan is found to be reasonable based on the following inputs, when applying the RIMS II economic model:

NAICS	Industry Name	Input	Multiplier	Jobs
2362	Hard Construction Costs	[REDACTED]	[REDACTED]	[REDACTED]
5413	EB-5 Eligible Soft Costs	[REDACTED]	[REDACTED]	[REDACTED]
2362	FF&E and Improvements	[REDACTED]	[REDACTED]	[REDACTED]
7211	Hotel	[REDACTED]	[REDACTED]	[REDACTED]
7225	Restaurant	[REDACTED]	[REDACTED]	[REDACTED]
81293	Parking	[REDACTED]	[REDACTED]	[REDACTED]

* Indirect and induced jobs only

(b)(4)

The approval of this Form I-924 application supported by an exemplar Form I-526 petition is based upon the assumptions and estimates used as inputs in the business plan for job creation. Please refer to the input and multiplier analysis table above.

When an actual project is specifically named in this notice and the critical inputs remain materially unchanged, USCIS will give deference to the job creation methodology when adjudicating Forms I-526

associated with the named project. The same business plan and the same reasonable job creation methodology and projected inputs must be submitted when the individual investor's Form I-526 is filed in order to receive deference.

It will be the responsibility of the individual investor to demonstrate that the assumptions and estimates presented as inputs to the job creation methodology remain materially unchanged when he or she files a Form I-526. When filing Form I-829 for removal of conditional status, the individual investor has the burden of demonstrating that the assumptions and estimates presented as inputs to the job creation methodology have not materially changed and have been realized (or can be expected to be realized within a reasonable time).

If the job creation estimated in the business plan materially changes or will not be realized, then it will be the responsibility of the EB-5 investor to notify USCIS of an agreed upon methodology to allocate job creation among eligible investors.

IV. Guidelines for Filing Form I-526 Petitions Based on One Franklin Square project

Each individual petition, in order to demonstrate that it is affiliated with the Lion's Regional Center, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain the following:

1. A copy of this regional center approval notice and designation letter including all subsequent amendment approval letters (if applicable).
2. An economic impact analysis which reflects a job creation methodology required at 8 CFR § 204.6 (j)(4)(iii) and shows how the capital investment by an individual immigrant investor will create not fewer than ten (10) indirect jobs for each immigrant investor.
3. A comprehensive, detailed and credible business plan for an actual project that contains the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998).
4. Legally executed organizational documents of the commercial enterprise. The documents may be the same documents noted in Section III of this approval notice.

Note: If the project timeline has changed significantly from the original business plan, a narrative that explains the changes in the project timeline, along with a timeline that realistically reflects the status of the project should be submitted.

V. Designee's Responsibilities in the Operations of the Regional Center

As provided in 8 CFR § 204.6 (m)(6), to ensure that the regional center continues to meet the requirements of section 610(a) of the Appropriations Act, a regional center must provide USCIS with

updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information must be submitted to USCIS on an annual basis or as otherwise requested by USCIS. The applicant must monitor all investment activities under the sponsorship of the regional center and to maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A, Supplement to Form I-924 Application is available in the "Forms" section on the USCIS website at www.uscis.gov.

Regional centers that remain designated for participation in the Immigrant Investor Program as of September 30th of a calendar year are required to file Form I-924A Supplement in that year. The Form I-924A Supplement with the required supporting documentation must be filed on or before December 29th of the same calendar year.

The failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Program will result in the issuance of an intent to terminate the participation of the regional center in the Immigrant Investor Program, which may ultimately result in the termination of the designation of the regional center.

The regional center designation is non-transferable, as any changes in management of the regional center will require the approval of an amendment to the approved regional center designation.

If the applicant has any questions concerning the regional center designation under the Immigrant Investor Program, please contact the USCIS by email at USCIS.ImmigrantInvestorProgram@uscis.dhs.gov.

Sincerely,



Daniel M. Renaud
Acting Chief, Immigrant Investor Program

cc: Rana Jazayerli, Esq.