

For Immediate Release

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INTERNATIONAL INVESTMENT CENTER ESTABLISHED IN CLEVELAND

Program attracts millions in foreign capital; Up to 1,000 jobs annually expected

CLEVELAND – June 25, 2010 – Cleveland stands to get a big economic boost from an international program expected to bring hundreds of new jobs and up to \$50 million of foreign investment annually into northeast Ohio.

The Cleveland International Fund (“CiF”) is the local version of a federally sanctioned program known as an EB-5 Immigrant Investor Program that allows wealthy foreigner investors to gain accelerated U.S. Residency visas. In return, each immigrant invests \$500,000 into a local, job-creating investment. Each \$500,000 investment must create at least 10 U.S. jobs.

The program is the culmination of more than two years of hard work and preparation, said CiF principal A. Eddy Zai, who has dubbed the program a “civic equity fund”. Zai, who lives in greater Cleveland, is himself an immigrant and a successful entrepreneur.

CiF is projected to annually secure investments from 50 to 100 wealthy foreign investors who wish to come to the U.S. – meaning \$25 to 50 million a year in equity for Cleveland projects and 500 to 1,000 new local jobs.

“I commend this forward-thinking effort that will help Cleveland continue to move forward as a strong player in the region,” said Delos “Toby” Cosgrove, M.D., president and CEO of the Cleveland Clinic. “We are thrilled to be an alliance partner of this initiative.”

The Cleveland EB-5 establishes downtown Cleveland and the so-called “health-tech corridor” that extends east along Euclid Avenue as well as inner-ring suburbs on both the East and West sides as a targeted investment zone. CiF funding will be used in targeted sectors of the local economy including health care/biotech, the growing local film industry and real estate development projects.

Zai announced today that CiF has already received \$20 million in funding and commitments that will create at least 400 jobs. The money will finance a new upscale boutique hotel as part of the revitalization of the Flats East Bank. Financing the hotel is a big step toward restarting the mixed-use development which, like many commercial projects, has been slowed by the recession.

Flats developer Scott Wolstein said the CiF EB-5 financing is critical and will greatly help the long-planned Flats East Bank revitalization.

“We couldn’t finance the hotel in the current economic environment,” Wolstein said. “The hotel is a critical element needed for the other pieces of the development to come together. The tight credit market makes traditional bank financing very difficult. CiF is opening up an exciting new option to advance local projects.”

CiF also has a unique private sector requirement for businesses receiving funds. All projects involved must meet or exceed the City of Cleveland’s minority and female business requirements. If at any time during a project those goals are not met, there will be a 2% financial penalty to the borrower.

Zai pointed out that while a government agency can only suggest meeting these requirements, CiF can actually mandate it.

EB-5 programs have been up and running in other U.S. cities for many years. Philadelphia's EB-5, for example, has raised more than \$300 million and created more than 6,000 jobs. Los Angeles has attracted more than \$150 million with 3,000 new jobs. There are 94 approved EB-5 programs – including Cleveland's – and 65 pending applications. Last year, these programs brought more than \$480 million in foreign investment to the U.S.

Before he started selling the program overseas to would-be investors, Zai enlisted an impressive cadre of supporters at home that includes Gov. Ted Strickland, Mayor Frank G. Jackson, the Greater Cleveland Partnership and many other local business and economic development leaders.

"The Cleveland International Fund is already delivering new, direct investments that will bolster the Cleveland regional economy," Governor Strickland said. "But in addition to attracting significant foreign investment, this strong local partnership is expected to strengthen business connections between northeast Ohio and global markets. Strengthening those connections will generate new jobs and long-term economic growth."

Mayor Jackson stated: "Job growth is the driving force behind this program. Tough times demand creative and strategic thinking. CiF is a compliment to my global economic development strategy which creates jobs for residents and encourages investment in the city."

Zai has logged more than 100,000 airline miles flying to China, Britain, India, Argentina and elsewhere while selling Cleveland and winning commitments from wealthy foreigners who wish to have U.S. residency.

Kenneth Huang, chairman of QSL Sports Limited and part of a Chinese investment group that last year bought a 15 percent interest in the Cleveland Cavaliers – another CiF partner --speaks highly of the CiF.

"CiF is a very interesting investment platform," Huang said. "It represents many investment opportunities and it has a strong background. With so many investment opportunities available, I believe CiF is the best option for Chinese investors."

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