

 [Click to Print](#) or Select '**Print**' in your browser menu to print this document.

Page printed from: <http://www.globest.com/sites/erikamorphy/2016/10/27/birch-capital-ceo-why-im-going-ahead-with-tradepoint-atlantic-eb-5s-fundraising/>

Birch Capital CEO: Why I'm Going Ahead with Tradepoint Atlantic EB-5's Fundraising

| By [Erika Morphy](#)

Published: October 27, 2016



J. Bruce Ricciuti

WASHINGTON, DC—Birch Capital has formed a fund to make an EB-5 qualifying loan of up to \$125 million to help finance Phase 1 of the Tradepoint Atlantic development, a massive 3,100-acre logistics complex of revitalized port and rail infrastructure and new buildings. It will be a \$344 million project all together, with one-third of the capital coming from EB-5 investors.

The company is gearing to start its fund raising next month and no, it is not concerned that Congress might

derail the program or tinker with it beyond recognition.

J. Bruce Ricciuti, founder of the real estate investment firm, which has offices in Florida and Massachusetts, expects reforms will pass — but first the program will be temporarily extended unchanged to give Congress more time, he predicts.

“We believe the program will eventually be extended long-term with integrity measures,” he told GlobeSt.com.

He explains why but first, a quick primer on the program’s current state.

After the Election

It has been easy to forget the pending legislative initiatives that are important to the real estate industry and that must be addressed in December when Congress reconvenes to pass a budget. In September, unable to pass a budget for next year but unwilling to shut down the government before the election, Congress passed a [continuing resolution to extend funding through Dec. 9](#).

The EB-5 immigrant investor program is one of the measures that was extended. Congress [passed the program in last December’s Omnibus spending measure unchanged](#) — but made it clear that reforms were coming.

Indeed in the past year Congress has held [multiple hearings and introduced several bills](#) taking aim at the perceived shortcomings in the current program. Fraud has been targeted, as well as the so-called gerrymandering that developers purportedly use to draw the most oddly-shaped TEAs, or targeted employment areas, for their proposed projects. Basically, the argument goes, developers deliberately draw TEAs to include prosperous areas.

Three Scenarios

So, there are a couple of things that could happen on Dec. 9 regarding EB-5.

Nothing. This could happen if 1) Congress refuses to pass a budget with the election over or 2) it doesn’t address EB-5 at all in what it does pass. The EB-5 program then expires.

The can gets kicked some more. This could happen if 1) Congress can’t get a budget deal together but doesn’t want to shut down the government or 2) Congress is able to pass an Omnibus spending measure but, like last year, decides to extend EB-5 again unchanged. It essentially kicks the can down the road.

Reforms. Eventually this program will be reformed, later if not sooner. It could be that Congress actually delivers a measure with reforms to the program that is passed in time to be included in the spending measure.

“Reforms with Integrity Are Coming”

Ricciuti predicts there will be reforms eventually to the TEA tracks and the investment amount allowed under the program will increase — basically Congress wants to bring EB-5 closer to its original intent, which was to fund development in areas that needed the infrastructure and jobs. It also wants to make clear to investors that these projects were not without risk.

These predictions are based on what he is hearing from the industry association tracking this issue and Birch Capital’s own attorneys, Ricciuti says.

Birch Capital is confident enough in EB-5's long-term future that the company is plowing forward with the Tradepoint Atlantic project.

The company just filed for marketing approval. "We haven't raised any funds yet but expect to get moving in November," Ricciuti says.

The company also just paid off its fund for a project in Miami. Birch Capital raised \$20 million from 40 investors to finance the University of Miami Life Science & Technology Park. Investors received quarterly real interest payments, their successful immigration status and 100% of return of capital, Ricciuti says.

Copyright 2016. ALM Media Properties, LLC. All rights reserved.