



Project Proposal

ALC Project # 68 – Liberty Park

Cape Coral, Florida

PACE Loan & EB-5

1321 NE 24th Avenue

Cape Coral, FL 33909



Prepared by:

American Lending Center
A USCIS-Designated EB-5 Regional Center

This project proposal is drafted based on project appraisal report and other related loan underwriting documents. It is designed to provide project information for EB-5 investors. EB-5 investment involved in the contents of this plan has certain risks. Investors shall consult a professional before making a decision.

About American Lending Center

Sustainable success through integrity, transparency, and accountability.

American Lending Center (ALC) is a U.S. Citizenship & Immigration Service designated regional center held by Regional Centers Holding Group in Long Beach, California. ALC offers investment opportunities to immigrant investors who are interested in obtaining permanent resident status in the United States through the employment-based fifth preference visa (EB-5) program. ALC has completed funding 60+ projects in 16 states, and is committed to investment in deserving businesses anywhere, including those in rural and other underserved areas.

Project Advantages

- **First Lien Position.** EB-5 funds are provided to the project as a loan in the first lien position for liquidation. It requires the project owner's fixed assets valued several times of the loan amount to be collaterals. The PACE Loan Regulation clearly stipulates that if the loan borrower delays or stops paying property taxes, the local government has the right to initiate a judicial auction of the company's fixed assets. The proceeds will be paid in priority to reimburse the EB investor's first loan. Due to the substantial energy-saving in company expenses and high-efficiency of the PACE loan, after the completion of the project, the value of a PACE project is usually more than twice the construction cost.
- **Small Percentage.** The total construction cost is \$74.59 million. EB-5 fund needed is \$20.5 million, which is only 27% of the total project cost. The project's stabilized value will be at least \$85.03 million, which is several times of the EB-5 funds.
- **Perfect Location.** The project is located in Cape Coral, Florida, which is at the western shore of the Florida peninsula and is the largest city between Tampa and Miami. The city is known as "Waterfront Wonderland" and boasts a 640-kilometer long navigable waterway. It is one of the cities with the largest number of canal waterways in the world. It attracts tens of thousands of tourists each year to the city. It is rated as one of the most beautiful and suitable city for retirement in America. After the completion of the project, the operation will be worry-free and sufficient cash flow will be guaranteed. The advantage of location has provided foreseeable solid ground for the project's success after completion.
- **Construction Jobs Only.** Total jobs created by this project will be 700.33, which is more than enough for the 41 EB-5 investors. Further, all of the 410 jobs required for EB-5 are from construction, no need of direct jobs from operation. Therefore, when the construction is completed, jobs are deemed created. Investors have no worry at I-829 stage.



Cape Coral, Florida

Project Summary

Liberty Park Community is located in the City of Cape Coral of Florida. It covers an area of 24.1 acres and the project to be built includes 320-unit high-end apartments and a 130-room assisted living facility. Among them, the high-end apartments have 8 buildings, each with 4 floors, and a total construction area of 404,232 square feet. The community has swimming pools, entertainment centers, gymnasiums, and laundry rooms. The Elderly Care Center has 2 floors and a total floor area of 119,842 square feet. It is equipped with 2 nursing centers, 4 food and beverage centers, a number of activity rooms, cafes, libraries, and cinemas. The overall design and building specifications of the community will be in accordance with the highest level in the region, and the design style of courtyard wind will create a comfortable and relaxing community environment.



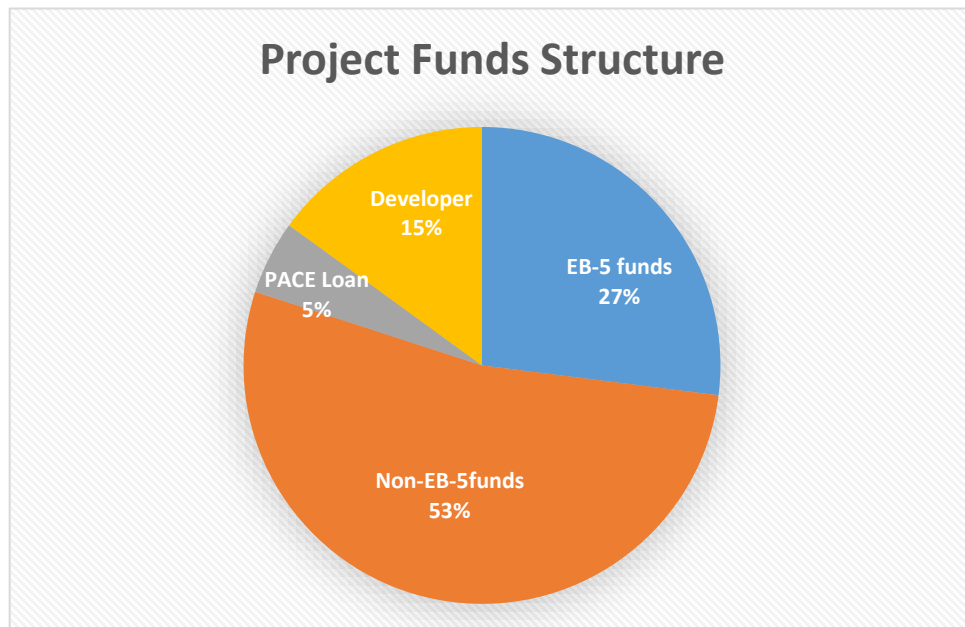
Assisted Living Facility in Liberty Park Community

Cape Coral, Florida

Capital Structure and Source of Fund

The developer of this project, Liberty Health Park, LLC, has decided to build a community which consists of high-end apartments and senior living facility. Total capital needed is \$74.59 million. American Lending Center will provide \$20,5 million EB-5 fund from 41 investors, wherein each investor invests \$500,000.

Funds Source	Amount(10K)	Proportion
EB-5 funds	\$2,050	27%
Non-EB-5funds	\$3,975	53%
PACE Loan	\$334	5%
Developer	\$1,100	15%
Total Cost	\$7,459	100%



Use of Fund:

Funds Use	Amount (10K)	Job Creation
Land Purchase	\$455	Based on \$59.2million construction cost (FF&E + Construction), total jobs created from the construction and development of the project is 657.24, which exceeds the job requirements for the 41 EB-5 investors' immigration applications.
FF&E	\$114	
Construction	\$5,806	
Soft Cost and other cost	\$1,084	
Total cost	\$7,459	

Job Creation

Liberty Park Community in Florida has applied RIMS II methodology for its job creation analysis.

Job creation consists of two parts:

- A. Total of \$59.2 construction cost will create 657.24 jobs.
- B. Upon completion of construction, the project will need at least 30 direct employees for its operation. To include the indirect and induced jobs, total job creation at operation stage will be 43.09.

Therefore, total jobs created by this job will be 700.33, which could be used for up to 70 EB-5 investors. Currently American Lending Center is only recruiting 41 investors for this project. The required 410 jobs will be purely from construction, which does not rely on any direct jobs in operation. As long as construction is finished, jobs are created. Investors have no worry about job creation issue at I-829 stage.

* For more information of job creation, please see Appendix-1.

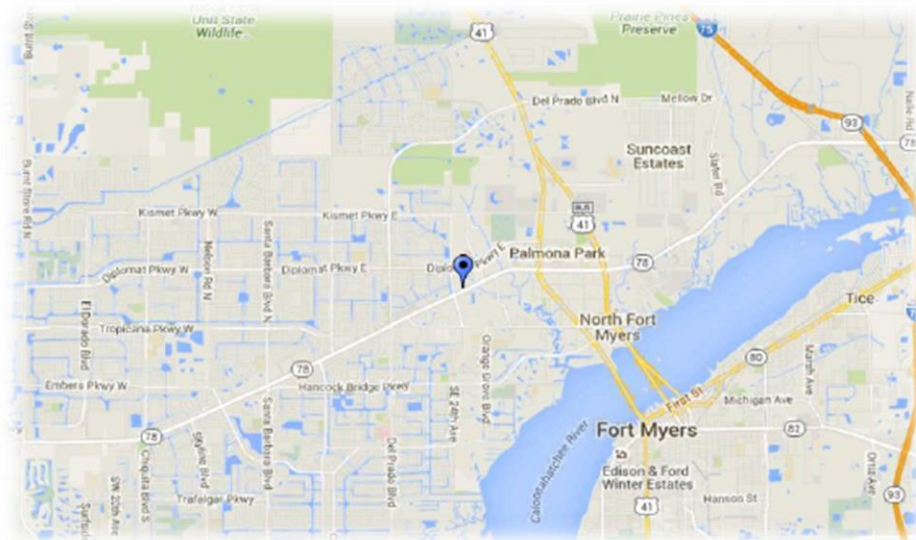
Project Location

Cape Coral is a pretty city in the west coast of Florida. It is the biggest city between Tampa and Miami. The city of Cape Coral is known for its long beaches and bustling marinas. In addition, it has more than 30 amusement parks and 7 golf courses, providing visitors with a good place to travel and exercise.



City of Cape Coral, Florida

The specific address for Liberty Park project is 1321 NE 24th Avenue, Cape Coral, FL 33909. It is very close to freeway 78. Traffic is very convenient.



Management Team

The project development work will be done by Liberty Health Park, LLC. The company has very high reputation in the industry. The head of the company Joe R. Bonora has more than 20 years' experience in real estate development and finance lending. The company owns and operates projects including a 325 unit high-end apartments in Fort Myers, a 109 unit assisted living facility, a 77 unit in Lank O'Lakes, a shopping center in Cape Coral, and many others.

PACE Loan

Property Assessed Clean Energy ("PACE") is an innovative financing structure that makes it possible for owners of commercial, industrial, and other non-residential properties to obtain low-cost, long-term financing for energy efficient and renewable energy projects. PACE authorizes municipalities or counties to work with private capital providers to provide up-front financing to commercial property owners for qualifying improvement projects, and to collect the repayment through annual or semi-annual assessments on the property's tax bill. The term of PACE financing may extend up to 30 years in some jurisdictions, resulting in utility and other cost savings that typically exceed the amount of the assessment payment. PACE legislation for commercial properties has been adopted in 33 states and the District of Columbia, and is now available in more than 1,000 municipalities across the country. Florida passed PACE-enabling legislation in 2010, and there are now five active programs operating in the state – all of which offer commercial financing.

* For more information about PACE loan, please refer to Appendix-2.

Value of the Property

The project's superior geographical location, accurate market positioning, supporting facilities, high-end design, and comprehensive services will attract a large number of local people who are going to settle their homes and plan on retirements. The business outlook is optimistic. The project construction period is 30 months and the opening time is expected to be in 2020. According to the appraisal report provided by ST. Franklin Street Consulting Co., Ltd., the world's leading real estate valuation and consulting company, and IRR Consulting Co., Ltd. (please refer to Appendix-3), the valuation after completion of the project will reach US\$74.59 million, after stable operation. The valuation will reach \$85.03 million, which is several times of the amount of EB-5 loans.

Cash Flow Projection

In order to predict the cash flow and financial status that will be put into use after the project is completed, the project developer has comprehensively considered the factors such as project site location, competition status, market analysis, financial forecast, and tourist flow, which are briefly listed below:

- The location of the project is excellent, with convenient transportation.
- Optimistic economic growth in the future and strong market demand.
- The beautiful environment of Cape Coral, known as “Seashore Fairyland”, was ranked as one of the most popular cities for retirement in the United States.
- The project’s architectural and design quality is the best in the region and has a competitive advantage over other similar projects in the surrounding area.
- Large demand for elderly care centers and high-end apartments in the area

On the basis of the aforementioned macro-market analysis, the project developers will make conservative forecasts on the financial operations in the next three years after the completion of the construction, as detailed in the following table:

3-Year Cash Flow Projection
(In Inflated Dollars for the Fiscal Year)

Year	2020	2021	2022
Total Income	\$ 8,600,091	\$10,806,233	\$ 12,046,319
Operating Expense	\$4,803,205	\$5,657,393	\$6,031,342
Net Income	\$3,796,886	\$ 5,148,840	\$6,014,977

In summary, the PACE project of the Florida Freedom Garden Community is a high-quality EB-5 investment immigration project. The EB-5 funds are invested in PACE projects on a government platform, promote economic development, and actively create jobs. The investment required for investment immigration applications all come from employment generated by construction, and there is absolutely no direct employment generated by any operation, eliminating the uncertainty of the approval of permanent green cards for investors.

This project is a perfect combination of PACE loan and EB-5 funds and truly provides double protection of green cards and fund security.

Appendix -1: Job Creation Memo

Memorandum

To: American Lending Center
From: Scott Wagner
Date: November, 1 2017
Re: Job Creation Estimate – Liberty Park Residential Complex, Cape Coral, Florida



This memorandum calculates the job creation resulting from the construction of the Liberty Park residential complex will be located at NE 24th Avenue & Pine Island Road, Cape Coral, Lee County, Florida 33909. The complex will include 131 assisted living units and 320 apartment units.

Economic Model. The economic model is the Regional Input-Output Modeling System (RIMS II) from the US Bureau of Economic Analysis. We use the construction and Furniture, Fixtures, & Equipment (FF&E) costs along with the RIMS II final demand employment multipliers for the corresponding industries to estimate the employment impacts. The RIMS II final demand multipliers represent the number of jobs that are created per million dollars of costs or revenue. Please see the RIMS II user manual for a comprehensive explanation of the model's methodology and usage.¹ The industry codes, sector codes, multipliers, and input values are provided in the following tables.

Study Area. This analysis estimates the comprehensive economic impacts of the project and identifies an economic region in which these impacts will occur. The study area for this analysis is the Cape Coral-Fort Meyers-Naples, FL Combined Statistical Area (CSA). The project will be located in Lee County but will create economic impacts in the larger region due to commuting and consumption patterns as well as supply linkages. The CSA is defined by the US Census Bureau and US Office of Management and Budget to be a region with substantial employment interchange and reflect economic interactions such as wholesaling and commodity distribution, which indicates that this region comprises the project's primary labor pool and supply chains.² We identify this region as the project's economic region and the region to which the input-output model is calibrated.

Job Creation. The project's job creation is calculated based on the estimated construction costs of \$58,059,551 (\$56,254,591 in 2015 dollar terms), the estimated FF&E costs of \$1,139,393 (\$1,069,938 in 2015 dollar terms), and the RIMS II final demand employment multipliers for the corresponding industries. The input data are expressed in 2015 dollar terms to adjust for inflation and correspond to the vintage of the RIMS II multipliers. The results of the analysis indicate that the construction and development of the project will create 657.24 total jobs. The construction phase is scheduled to last for more than two years. Therefore, direct construction jobs are included in the analysis.

¹ US Bureau of Economic Analysis, RIMS II An Essential Tool for Developers and Planners, n.d., https://bea.gov/regional/pdf/rims/RIMSII_User_Guide.pdf

² US Census Bureau, Geography, 2012, https://www.census.gov/geo/reference/gtc/gtc_cbsa.html; US Office of Management and Budget, OMB Bulletin No. 13-01, <https://www.whitehouse.gov/sites/default/files/omb/bulletins/2013/b-13-01.pdf>

Table 1 provides the details of the dollar term conversions and input values. Table 2 summarizes the project's job creation and lists the corresponding industry codes, sector codes, input values, and multipliers.

Table 1: Conversion of Costs to 2015 Dollar Terms

Project Phase	Producer Price Index			Cost Estimate 2017 USD	RIMS II Input Value 2015 USD
	Series ID and Description	2017	2015		
Residential Construction	WPUFD43: Final Demand Construction	115.80	112.20	\$58,059,551	\$56,254,591
FF&E	PCU423000: Merchant Wholesalers, Durable Goods	137.80	129.40	\$1,139,393	\$1,069,938

Source: US Bureau of Labor Statistics, Producer Price Indexes, <http://data.bls.gov/cgi-bin/dsiv9pc>; Project construction and FF&E cost estimates.

Table 2: Job Creation - Construction and Development

Project Phase	NAICS Code	RIMS II Sector	RIMS II Multiplier	Input Value 2015 USD	Direct Jobs	Indirect Jobs	Total Jobs
Residential Construction	236100	233450	11.5961	\$56,254,591	326.38	325.95	652.33
FF&E	423200 423400	420000	9.1877	\$1,069,938	-	4.91	4.91
Total					326.38	330.86	657.24

Source: Project construction and FF&E cost estimates. 2015 RIMS II employment multipliers.

Note: RIMS II employment multipliers for construction and FF&E categories are Type II final demand. Indirect Jobs includes indirect and induced jobs.

American Lending Center commissioned Wagner Consulting Group to estimate the job creation resulting from the construction and development of the project, which we estimate will create 657.24 jobs. However, if the operations-related jobs are considered, the total job creation will be much higher. The project will likely employ a minimum of 25.00 direct employees to operate the assisted living units and 5.00 direct employees to operate the leasing and maintenance of the residential units, which will create an additional 11.26 and 1.82 indirect/induced jobs, respectively.³ Therefore, the total job creation of construction, FF&E, and ongoing operations is 700.33 jobs.⁴

Conclusion. We conclude that the project's construction and development phase will create 657.24 direct and indirect/induced jobs. In addition, the project's operations phase will create an additional 43.08 direct and indirect/induced jobs. Therefore, the project will create a total of 700.33 total jobs and qualify up to 70 immigrant investors.⁵

³ Assisted living facilities in the State of Florida employ an average of 38.28 workers. Assisted living facilities in Lee County employ an average of 70.25 workers. Real estate leasing companies in the State of Florida employ an average of 4.34 workers, Real estate leasing companies in Lee County employ an average of 5.53 workers. US Census Bureau, 2015 County Business Patterns, factfinder.census.gov.

⁴ The RIMS II direct effect multiplier for assisted living operations is 1.4505. So, 25.00 direct jobs will create 36.26 total operations-related jobs. The RIMS II direct effect multiplier for real estate operations is 1.3644. So, 5.00 direct jobs will create 6.82 total operations-related jobs.

⁵ All data and estimates in the analysis are based on current project information and are subject to modification during the normal course of the construction process and business operations.



About the Economist

Scott Wagner is an economist specializing in the EB-5 program. From 2011 to 2013, Scott worked on-site with the USCIS Investor Program division, where he was a team leader for a group of economic and business consultants that modernized and facilitated USCIS's adjudication of EB-5 investment projects. In 2014, Scott founded Wagner Consulting Group (www.wcgeb5.com), an EB-5 economic advisory firm. Also in 2014, Scott joined Regional Centers Holding Group as its lead economist. Scott's past work experience also includes research positions at San Francisco State University and San Diego State University, and he was a senior business consultant at LECG Corporation. Scott received his bachelor's degree in economics and business from Westmont College in 2004 and his master's degree in economics from San Diego State University in 2010. Scott's master degree thesis investigated trends in Chinese foreign direct investment in the early 2000s. His expertise and insider perspective have contributed significantly the exponential success of Regional Centers Holding Group. From 2014 to present, Scott has completed business plans and economic analysis job reports for more than 50 ALC projects without any challenges or issues from USCIS.

Appendix - 2: PACE Loan

BENEFITS OF PACE CAPITAL FOR DEVELOPERS:



- ▶ Lower costs of capital; PACE reduces up to 20% need for expensive mezz debt or equity
- ▶ No upfront costs of green improvements; PACE provides 100% LTV on eligible improvements.
- ▶ Improved cash flow; lower payment because of up to 30 year amortization at a fixed rate
- ▶ Energy efficient project; reducing burden on public utilities and promoting energy efficiency
- ▶ Lowers operating costs; Energy savings generated by improvements are generally greater than the PACE payment
- ▶ Payments may be considered tax deductible based on accounting treatment
- ▶ Fully non-recourse, no financial covenants
- ▶ Pay only for the benefits while they own the property.

FOR DEVELOPERS

BENEFITS OF PACE TO MUNICIPALITIES:

The PACE program is a great example of a public-private partnership that benefits both sides, while putting no additional burden on the taxpayer. The municipality gets economic development, job creation, and energy efficient commercial buildings that put less stress on public utilities. Commercial buildings consume approximately half the energy generated by power plants, so building owners and local governments must work together to design and build more efficient buildings.

For municipalities, PACE helps:

- Reduce burden on public utilities (e.g., electric, water, etc.)
- Reduce the obsolescence of the community's building stock because more projects become economically viable with PACE in the capital stack.
- Increases the tax base and increase sales tax revenue
- Assist with business retention and expansion.
- Increase property values
- Promote economic development and create jobs (i.e. contractors, servicers and lenders)
- Bring older properties up to current code, including hurricane/wind protection.
- Finance public-private projects without the need for taxpayer dollars.
- PACE lenders are responsible for the underwriting costs and take on the risk of default.
- PACE program can be set up without any cost, or minimal cost, to the participating municipality.
- Third-party administrators provide payment administration.

FOR MUNICIPALITIES

Appendix - 3: Appraisal Report



SUMMARY OF APPRAISAL - UPTOWN AT LIBERTY PARK	
Type of Property:	A proposed 320 unit Class A apartment complex
Location:	Northeast Quadrant of Pine Island Road and NE 24th Avenue Cape Coral, Lee County, Florida 33903
Geocode:	26.677452, -81.921743
Site Size:	20.00± Acres 871,200± S.F.
Gross Building Area (GBA):	404,232 S.F.
Net Rentable Area (NRA):	326,336 S.F.
Number of Units:	320
Average Unit Size (S.F.):	1,020 S.F.
Year Built:	Proposed/2017
Zoning:	Corridor - Corridor District by City of Cape Coral
Future Land Use:	PIRD - Pine Island Road District by City of Cape Coral
Flood Zone Information:	12071C0270F - August 28, 2008 "X" - areas of low flood risk, located outside of the 100-year flood hazard zone
Subject Ownership:	Liberty Health Park, LLC.
Property Rights Appraised:	Fee simple
Highest and Best Use:	As Vacant: Multifamily residential development As Proposed: Development of a 320 unit Class A apartment complex
Date of Report:	May 31, 2016
Last Date of Inspection:	May 24, 2016

Apartment Address

VALUE INDICATIONS AND CONCLUSION		
Description	Valuation Date	Value Amount
As Is Market Value Of The Fee Simple Interest - Underlying Land		
Sales Comparison Approach		\$4,160,000
Overall Conclusion	May 17, 2016	\$4,160,000
Prospective Market Value Of The Fee Simple Interest Upon Economic Stabilization - Subject Property		
Cost Approach		\$54,065,000
Income Capitalization Approach		\$56,000,000
Sales Comparison Approach		\$55,040,000
Overall Conclusion	October 1, 2019	\$56,000,000
Prospective Market Value Of The Fee Simple Interest Upon Completion - Subject Property		
Income Capitalization Approach		\$50,000,000
Overall Conclusion	October 1, 2017	\$50,000,000

Value of Apt at Stabilized Stage

Value of Apt upon Construction Completion

Summary of Salient Facts and Conclusions

Property Name: Atrium at Liberty Park

Property Identification -

Street Address: 1321 NE 24th Avenue
Municipality: Cape Coral
County: Lee
State: Florida
Zip: 33909

➔ Assisted Living Facility Address

Purpose of the Appraisal: To estimate the value of the going concern under the following scenario(s):
 Market Value As Is (Land Only)
 Prospective Market Value of the Specified Assets of the Business Upon Completion
 Prospective Market Value of the Specified Assets of the Business Upon Stabilization

Assets Appraised: All assets of the business enterprise including real property, FF&E and business value

Property Rights Appraised: Fee Simple

Certification -

Certified Appraisers:	W. Joseph Daniels	Bradford L. Johnson, MAI
Certification Numbers:	RZ1579	RZ409
Certification Types:	State-Certified General Real Estate Appraiser	State-Certified General Real Estate Appraiser

Site Summary -

Site Size (Acres): 4.100
Shape: Slightly irregular
Zoning: CORR - Corridor District
Zoning Compliance: Legal, conforming use
Utilities: All standard municipal utilities available

Summary of Salient Facts and Conclusions

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As Is Value Indication	
Approach to Value	Value Indication
Market Value As Is (Land Only)	\$2,230,000

Upon Completion Value Indications	
Approach to Value	Value Indication
Income Capitalization - Direct Capitalization	\$24,590,000
Sales Comparison	\$25,200,000
Cost	\$24,910,000

Upon Stabilization Value Indication	
Approach to Value	Value Indication
Income Capitalization - Direct Capitalization	\$29,030,000

Value Conclusion		
Value Scenario	Effective Date	Value Conclusions
Market Value As Is (Land Only)	9/30/2017	\$2,230,000
Prospective Market Value of the Specified Assets of the Business Upon Completion	9/30/2019	\$24,590,000
Prospective Market Value of the Specified Assets of the Business Upon Stabilization	9/30/2021	\$29,030,000

Value of Assisted Living Facility upon construction completion

Value of Assisted Living Facility at Stabilized Stage

Value Allocation	
Component	Allocated Value
Land	\$2,230,000
Improvements	\$21,190,000
FF&E	\$1,170,000
Intangibles	\$0
Prospective Market Value of the Specified Assets of the Business Upon Completion	\$24,590,000

Value Allocation	
Component	Allocated Value
Land	\$2,230,000
Improvements	\$23,700,000
FF&E	\$1,170,000
Intangibles	\$1,930,000
Prospective Market Value of the Specified Assets of the Business Upon Stabilization	\$29,030,000

Atrium at Liberty Park

