



1 August 2019

To Whom It May Concern,

The following letter conforms with the most recent USCIS regulation governing Targeted Employment Area (TEA) qualification. The regulation, “EB-5 Immigrant Investor Program Modernization” (hereafter the “Final Rule”), was published on 24 July 2019 and will become effective 21 November 2019. At our client’s request, I have determined that a project site located at **5300 Claus Rd, Modesto, California** falls within two, unique, high unemployment TEAs. Both of these TEAs will satisfy regulatory requirements once the Final Rule goes into effect.

By way of background, I served as Chief Economist for USCIS from 2009 to 2011, and I have worked as an EB-5 service provider in the private sector since that time. Consequently, I am thoroughly familiar with the laws concerning the EB-5 investor visa program and the required procedures for determining whether an investment location exists within a qualified TEA.

On December 11, 2009, USCIS issued a policy memorandum, a portion of which covered TEA determinations. There, USCIS clarified that TEA determination should be current as of the date the I-526 petition is filed with USCIS. The recently-published Final Rule provides further guidance on high unemployment TEAs:

...The burden is on the petitioner to provide DHS with evidence documenting that the area in which the petitioner has invested is a high unemployment area, and such evidence should be reliable and verifiable. DHS believes that the unemployment data provided to the public by the U.S. Census Bureau’s American Community Survey [ACS] as well as data available from the Bureau of Labor Statistics [BLS] qualify as reliable and verifiable data for petitioners to reference in order to carry their evidentiary burden....¹

In the first part of this analysis, I use a methodology known as “census share,” which USCIS recognizes as a reliable and verifiable method to calculate unemployment rates at the census tract level for TEA determination. Ultimately, my goal is to find census tracts near and including the project site with unemployment rates above the current required threshold of 5.85%.² The following discussion provides a transparent description of the necessary calculations.

¹ EB-5 Immigrant Investor Program Modernization, 24 July 2019, p. 116.

² The 2018 annual average U.S. unemployment rate was 3.90%; TEA threshold calculation is $3.90 \times 150\% = 5.85\%$.

Data Sources and Calculations:

- For census tract-level data, I use the most current American Community Survey (2017 5-year)
- For county-level data, I use the most current American Community Survey (2017 5-year) and BLS 2018 (as applicable – see below)

First, to determine tract-to-county ratios of employed and unemployed, I use the following calculations:

$$\frac{2017 \text{ ACS Census Tract Employed}}{2017 \text{ ACS County Employed}} = \text{Employed (EMP) Ratio}$$

$$\frac{2017 \text{ ACS Census Tract Unemployed}}{2017 \text{ ACS County Unemployed}} = \text{Unemployed (UNE) Ratio}$$

Next, I take the ratios described above and multiply them by the 2018 BLS county annual averages:

$$\text{EMP Ratio} \times 2018 \text{ Annual Average County Employed} = 2018 \text{ Census Tract EMP}$$
$$\text{UNE Ratio} \times 2018 \text{ Annual Average County Unemployed} = 2018 \text{ Census Tract UNE}$$

Finally, I calculate the actual individual unemployment rate for each census tract using the following formula:

$$[(2018 \text{ Census Tract UNE} \div (2018 \text{ Census Tract EMP} + 2018 \text{ Census Tract UNE})) \times 100] = \text{Individual Tract Unemployment Rate}$$

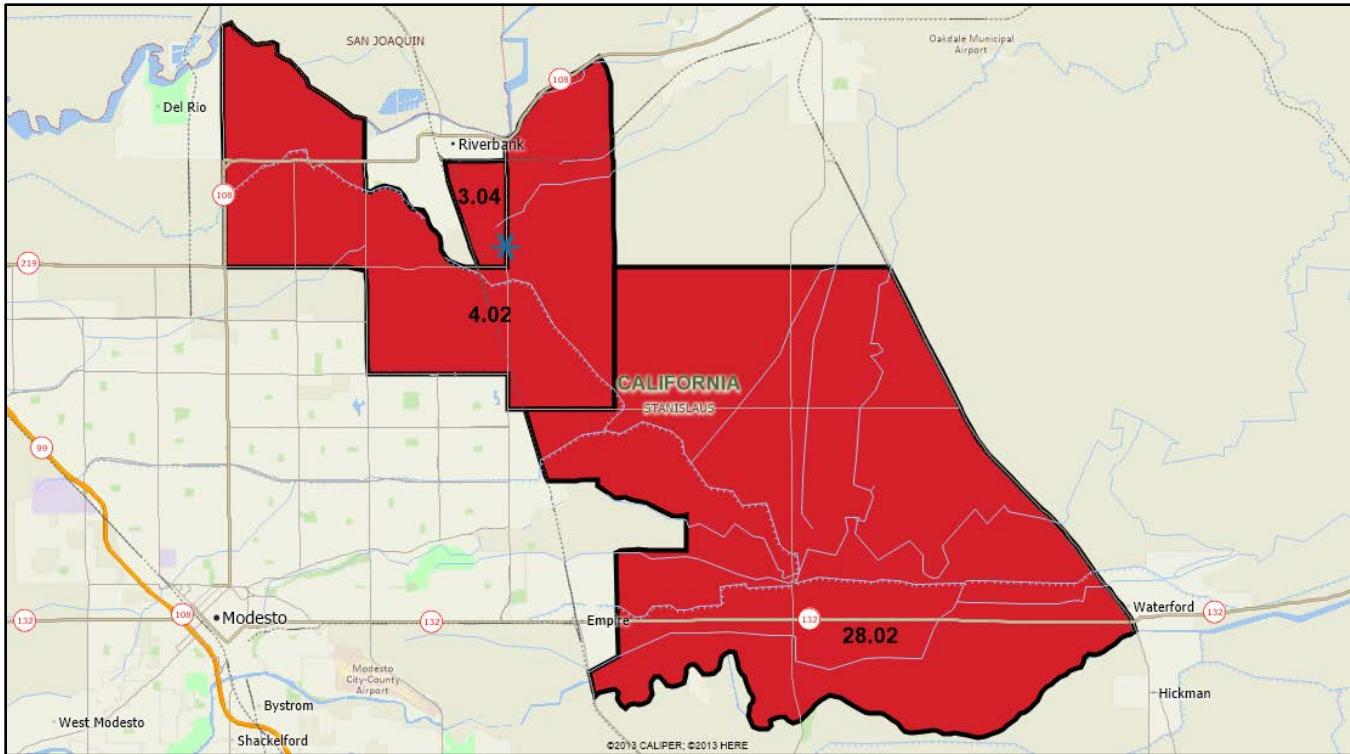
The table below outlines the Stanislaus County census tracts for the proposed high unemployment TEA. The project site is located in Tract 4.02, denoted by bold font in the table below. When the site tract is combined with two adjacent tracts, the resulting weighted average unemployment rate for the entire area totals 6.26%, which is above the required threshold of 5.85%.

Aggregated Unemployment Rate:³

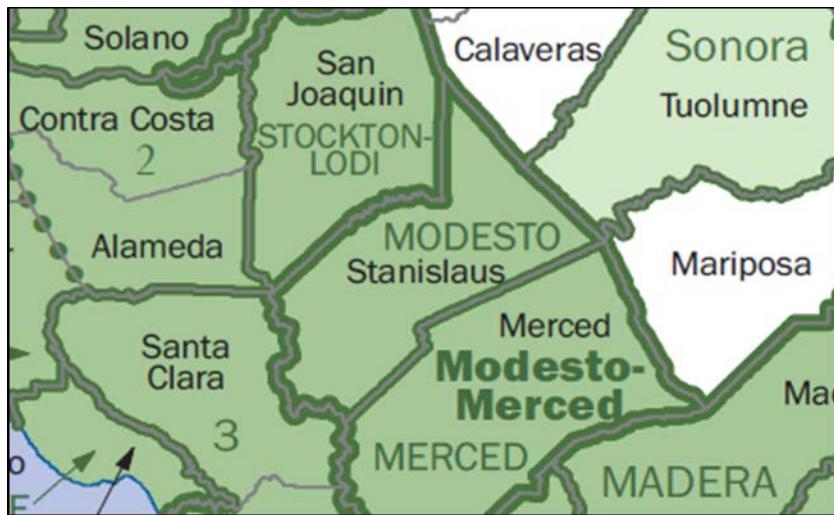
| 5300 Claus Rd, Modesto, CA 95357 | 2018 UNE | 2018 CLF | Unemployment |
|---|------------|---------------|--------------|
| Census Tract 3.04, Stanislaus County, California | 177 | 2,207 | |
| Census Tract 4.02, Stanislaus County, California | 193 | 5,758 | |
| Census Tract 28.02, Stanislaus County, California | 282 | 2,447 | |
| Total | 651 | 10,412 | 6.26% |

The map below shows the census tracts included in the “Modesto TEA” and the approximate project site location marked by a blue symbol.

³ The unemployment percentage is based on spreadsheet calculations that includes fractional numbers not presented in the table



In the second part of this analysis, I will show that the project site also falls within a second TEA. The project site is located in the Modesto, CA Metropolitan Statistical Area (MSA), which consists solely of Stanislaus County (shown in the map below).



According to the BLS 2018 County-Level Annual Averages, the unemployment rate for Stanislaus County is 6.40%, also above the 5.85% qualifying threshold. The MSA data is reflected in the following table.

Greater County / Metropolitan Statistical Area Unemployment Rate:

| Modesto MSA | 2018 UNE | 2018 CLF | Unemployment |
|-----------------------|---------------|----------------|--------------|
| Stanislaus County, CA | 15,598 | 243,538 | |
| Total | 15,598 | 243,538 | 6.40% |

As mentioned previously, all calculations are based on the most current data available. New county-level annual averages are released by the BLS every year between late April and early May. Once this new data is published, a new unemployment analysis will be necessary for future investors' I-526 petitions.

In summary, **5300 Claus Rd, Modesto, CA** falls within two qualified TEAs. The first TEA is composed of the project census tract plus two adjacent census tracts. The second TEA is the entire Modesto MSA.

Please feel free to contact me with any questions.

Sincerely,



Kimberly Atteberry
President
Vermilion Consulting LLC



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The following letter conforms with the most recent USCIS regulation governing Targeted Employment Area (TEA) qualification. The regulation, “EB-5 Immigrant Investor Program Modernization” (hereafter the “Final Rule”), was published on 24 July 2019 and will become effective 21 November 2019. At our client’s request, I have determined that a project site located at **4209 Jessup Rd, Keyes, California** falls within two, unique, high unemployment TEAs. Both of these TEAs will satisfy regulatory requirements once the Final Rule goes into effect.

By way of background, I served as Chief Economist for USCIS from 2009 to 2011, and I have worked as an EB-5 service provider in the private sector since that time. Consequently, I am thoroughly familiar with the laws concerning the EB-5 investor visa program and the required procedures for determining whether an investment location exists within a qualified TEA.

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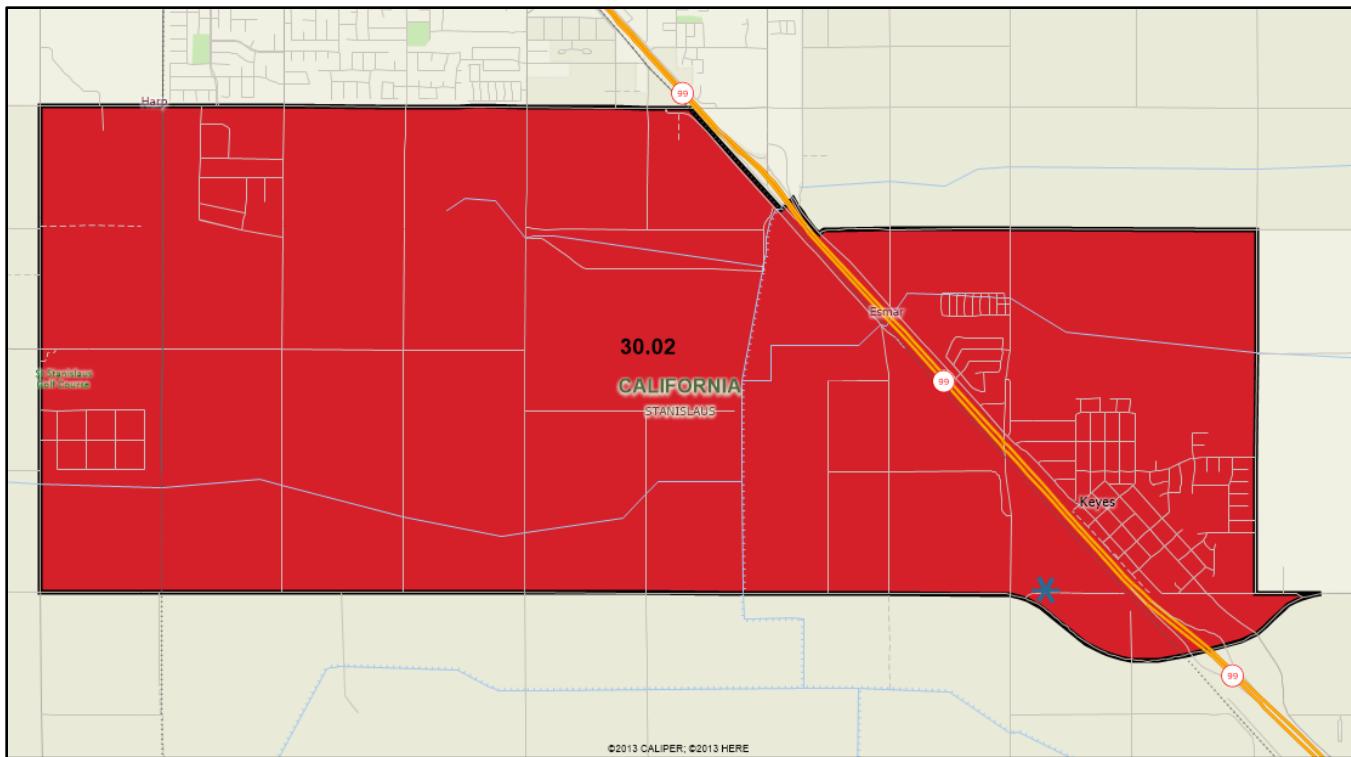
The table below outlines the Stanislaus County census tract for the proposed high unemployment TEA. The project site is located in Tract 30.02, denoted by bold font in the table below. The site tract has a qualifying unemployment rate of 8.06%, which is above the required threshold of 5.85%.

Unemployment Rate:³

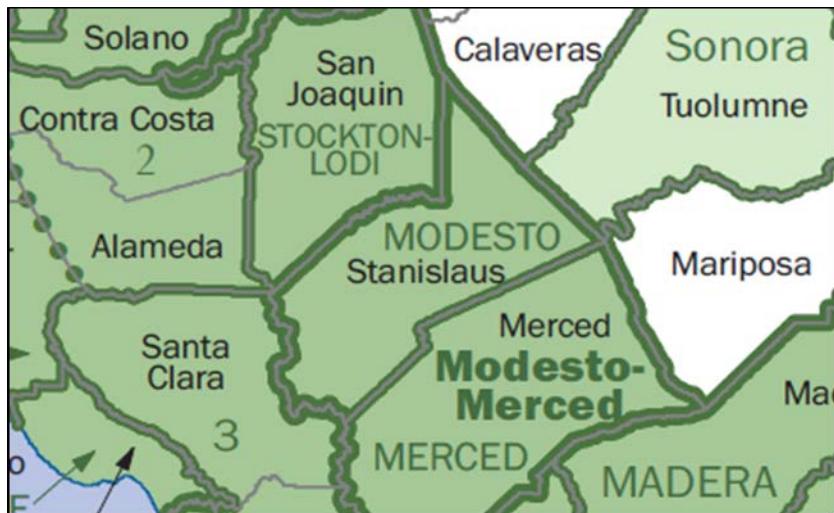
| 4209 Jessup Rd, Keyes, CA 95307 | 2018 UNE | 2018 CLF | Unemployment |
|--|------------|--------------|--------------|
| Census Tract 30.02, Stanislaus County, California | 246 | 3,053 | |
| Total | 246 | 3,053 | 8.06% |

The map below shows the census tract included in the “Keyes TEA” and the approximate project site location marked by a blue symbol.

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In summary, **4209 Jessup Rd, Keyes, CA** falls within two qualified TEAs. The first TEA is composed of the project census tract. The second TEA is the entire Modesto MSA.

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Sincerely,



Kimberly Atteberry
President
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