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Testimony of Representative James Maroney
Commerce Committee
Tuesday, March 12, 2013

Good morning,

Senator LeBeau, Representative Perone, Senator Frantz, Representative Lavielle, and distinguished members of the Commerce Committee. Thank you for the opportunity to testify in support of on **SB 537 An Act Establishing A Broker Between EB-5 Visa Applicants And Businesses Seeking Capital**. My name is James Maroney and I am the representative for the 119th district, which consists of parts of Milford and Orange.

First, I would like to state that I strongly support creating an EB-5 Program in Connecticut. I want to thank Senator LeBeau for bringing this proposal forward.

I would like to address a concern that Department of Economic and Community Development (DECD) Commissioner Catherine Smith has previously been opposed to creating an EB-5 program in Connecticut. After reviewing Commissioner Smith's previous testimony, it appears her opposition was due to the fact that creating an EB-5 regional program would have a negative fiscal impact on DECD and would require additional DECD resources. When looking to authorize and create an EB-5 program there are several different models to choose from.

Originally, I had put forth legislation to create a state owned EB-5 regional center similar to what currently exists in the State of Vermont. The Vermont program currently has the only state owned regional center, and it has been highly successful. They have already raised \$275 million for the first phase of a project at Jay Peak, and are raising \$550 Million for the second phase. The total project is estimated to create over 10,000 direct and indirect jobs. I have included a December 30th, 2012 New York Times article that features the project.

However, after some research and as indicated from the testimony of DECD Commissioner Smith, I feel that this might require more manpower and expertise than we currently have

available. In conducting further research, I came upon a report commissioned by the state of Minnesota last summer that was produced by the Carlson Consulting Enterprise. This report analyzed the different types of regional programs and issued recommendations for a strategy that the State of Minnesota could pursue. In short, the report recommended pursuing a public/private partnership based off of the City of Dallas Regional Center model. This report and the request for proposal (RFP) documents are also included in my testimony.

While I support SB 537, I have some proposed recommendations. I would suggest that SB 537 be amended to utilize the broker concept, and authorize creating a public/private partnership. This type of EB-5 program can be administered at little to no cost to the state. I further suggest that we create a task force to examine how to best attract foreign investment to Connecticut. This will be important to our further growth, and will help build on the relationships that Governor Malloy has already began to build in China.

There are fifteen states that have already opened offices in South Korea to attract investment and make it easier for Korean citizens to invest in their states. In addition, there are bi-annual education and emigration fairs in Korea that attract 70,000 attendees, and an estimated fifty percent of whom intend to immigrate to the United States,

In closing, I strongly support SB 537, and the concept of bringing an EB-5 program to Connecticut. I think it is a creative way to help us achieve smart economic growth. Thank you again for the opportunity to testify. I am happy to answer any questions that you may have.

Sincerely,

Rep. James Maroney

Resources

http://www.positivelyminnesota.com/Data_Publications/Publications/Reports/EB-5_Investor_Program_Reports/EB-5_Whitepaper.pdf

<http://www.nytimes.com/2012/12/31/us/31vermont.html?pagewanted=all>

http://www.dallascityhall.com/committee_briefings/briefings0409/ECO_UpdateReginalCenter_042009.pdf

http://www.dallascityhall.com/committee_briefings/briefings1008/ED_Dallas-EB-5-RegionalCenter_102008.pdf