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Inland Energy \$22M short of its pledge

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VICTORVILLE * On Dec. 8, a representative from Inland Energy stood before the Victorville City Council and pledged to raise \$25 million in loans for the city by mid-May through the federal EB-5 Visa Investor program.

To date, Victorville has received \$3 million.

In spite of repeated requests over the phone and via e-mail, both Inland Energy President William Buck Johns and spokesman Miguel Gonzalez declined to offer an explanation for why the company couldn't hit its target.

When Victorville spokeswoman Yvonne Hester asked Economic Development Director Keith Metzler, who oversees the city's Regional Center, for an explanation he said, "That's really an Inland question."

When asked whether she's heard any explanation from Inland as to why they came up \$22 million short, Councilwoman JoAnn Almond said "not a word."

The City Council in July granted Inland a one-year contract to solicit 50 investors for Victorville through the EB-5 program, in which foreign citizens willing to loan \$500,000 each can be granted U.S. visas. Hester said that agreement wasn't finalized until October, giving Inland five more months under the exclusive contract.

The EB-5 money is intended to help finance the city's wastewater treatment plant, needed to process discharge from Dr Pepper Snapple Group's bottling facility at Southern California Logistics Airport.

Victorville planned to pay for the plant with bond proceeds, but so far has not been able to secure any. Instead, the city has borrowed extensively from reserve funds in the water district it took over a few years back.

Hester said no portion of the \$3 million Victorville has received has gone to repay the Water District loan yet, but she said it's simply a matter of doing the paperwork necessary to transfer the funds.

Though only \$3 million has been passed on to Victorville, Gonzalez said \$9 million is sitting in Inland's escrow account. He added that 19 more immigrants have signed contracts indicating their interest in investing and 23 others have received documents to start the process.

"So far we're very happy with the \$9 million we have raised," Gonzalez said, "and we're confident we will raise the rest of the \$16 million in the time that the council has allotted us."

Victorville has spent \$778,372 to set up its existing EB-5 Regional Center, plus another \$600,000 fighting and settling a lawsuit from EB-5 competitor CMB Export. The city recoups roughly \$4,000 through each investor, with the balance of the up-to-\$50,000 processing fee going to Inland Energy.

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