

Missouri Citizens Land Development Cooperative

**Empowering Every Citizen
Through Ownership of Land,
Infrastructure and Technology**



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The for-profit “**Citizens Land Development Cooperative**” (“**CLDC**”) is one of several capital financing vehicles designed to realize a free enterprise vision for re-humanizing the future of the American economy. It provides equal opportunity for every person to become an owner of new and transferred growth capital, and it introduces a new source of financing through the commercial and central banking system.

Focusing on the ownership of land and infrastructure development, the CLDC is a key part of proposed national “growth-with-justice” legislation known as the “Economic Democracy Act (EDA),” which enshrines ownership of productive capital as a universal right of citizenship, as well as a supplemental source of lifetime personal income.

The CLDC is designed to finance the rebuilding and creation of thriving communities in which every worker and resident would be afforded equal access to the financial means to participate personally in capital ownership accumulations, profits and local decision-making. It functions just as the Rouse Corporation did in building Columbia, Maryland or the Reston Corporation did in building Reston, Virginia — but with a difference. The CLDC turns community residents into its principal shareholders.

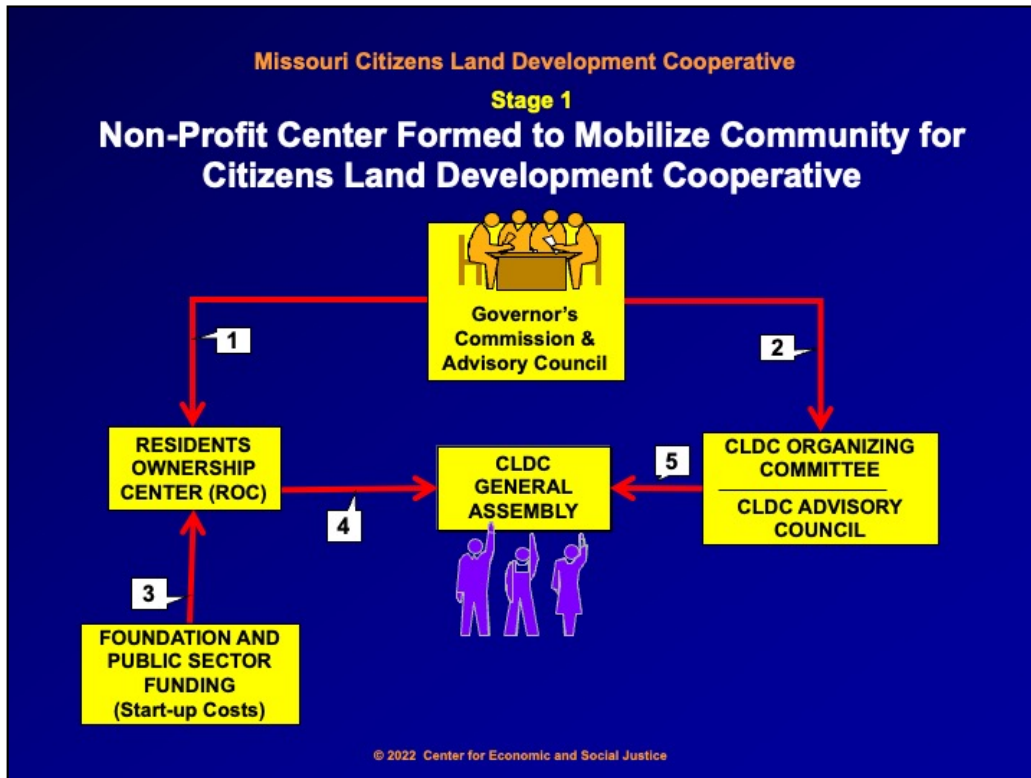
The CLDC offers a planning framework for financing local infrastructure to increase land values and attract new worker-owned industries and entrepreneurial opportunities. It can also provide financing incentives for introducing and commercializing advanced technologies that can be owned by local workers, create new private sector jobs, and enhance the economic growth of the community within local, national and global markets.

Outlined in the following diagrams is a national demonstration project within the State of Missouri for financing land and infrastructure development with broad-based ownership participation by area residents and workers.

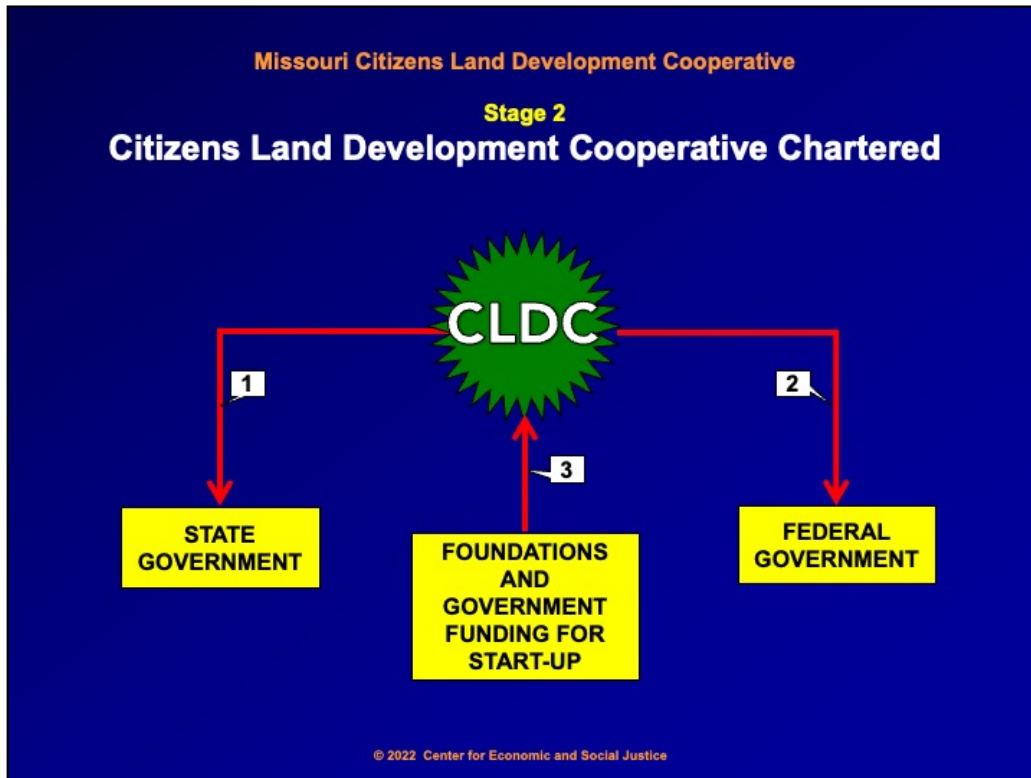
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Stages of Implementation

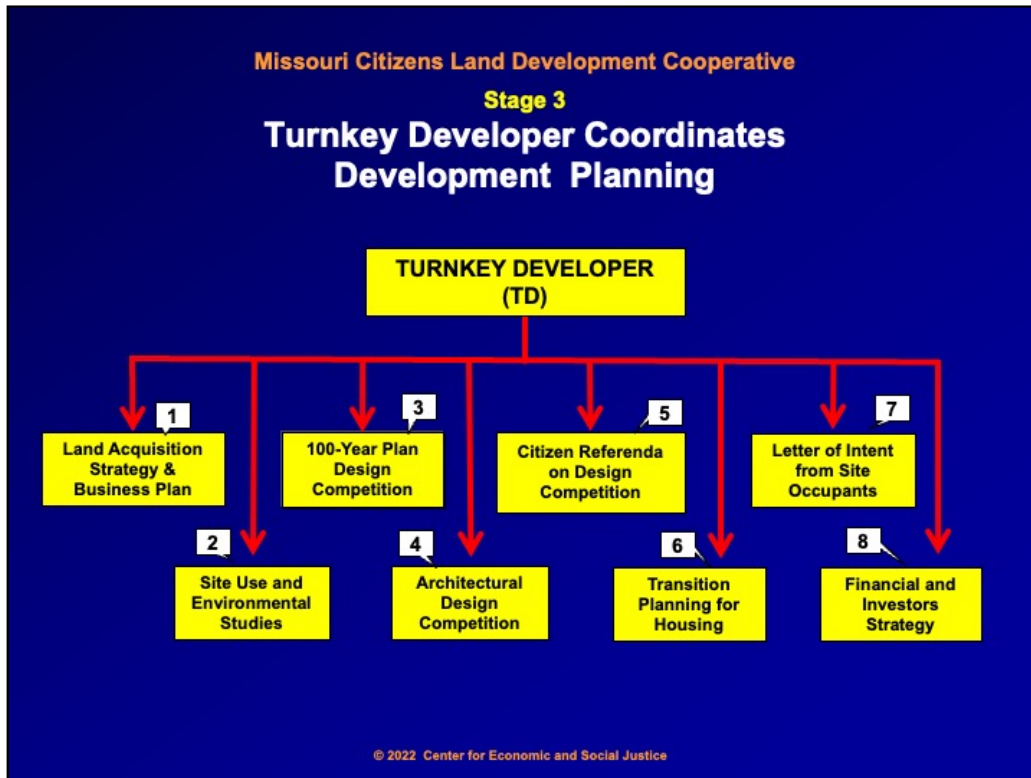
- Stage 1** Governor's Commission Establishes CLDC/s
(and launches not-for-profit Residents Ownership Center to educate and mobilize citizens for participation in CLDC planning)
- Stage 2** Citizens Land Development Cooperative Chartered
- Stage 3** Turnkey Developer Coordinates Development Planning
- Stage 4** Turnkey Developer Negotiates Funding and Transfer of Sites to CLDC
- Stage 5** CLDC Becomes Activated with Citizen Accounts
- Stage 6** Financing and Issuing of CLDC Shares
- Stage 7** Community Shareholders Earn Shares and Dividends from CLDC Profits



1. Governor's CLDC Commission organizes and incorporates a non-profit local Residents Ownership Center (ROC) to educate all members of community on a free enterprise version of economic and social justice, economic empowerment goals, new sources and mechanisms for financing economic development, and personal benefits that would flow from organizing a Citizens Land Development Cooperative.
2. Governor's Commission and ROC create a volunteer CLDC Organizing Committee consisting of a diverse group of community leaders, and a CLDC Advisory Council made up of professionals and influential public and private-sector leaders from both inside and outside the community. The two organizing bodies develop the initial vision, strategy, operational plan and tasks for forming a CLDC and prioritizing initial projects, including broad-based citizen participation in the CLDC planning process.
3. ROC applies for and receives public sector and foundation funds to organize a non-partisan election for selecting neighborhood representatives to a CLDC General Assembly to structure the CLDC's governance process, form committees to develop basic policies and goals, and facilitate formation of the CLDC.
4. ROC organizes neighborhood or precinct elections to select representatives to a CLDC General Assembly.
5. CLDC Organizing Committee and Advisory Council provide volunteer assistance to CLDC General Assembly and standing committees of CLDC for mobilizing support and approving Citizen Shareholders Participation Plan, CLDC bylaws, and initial sites to be developed by CLDC.

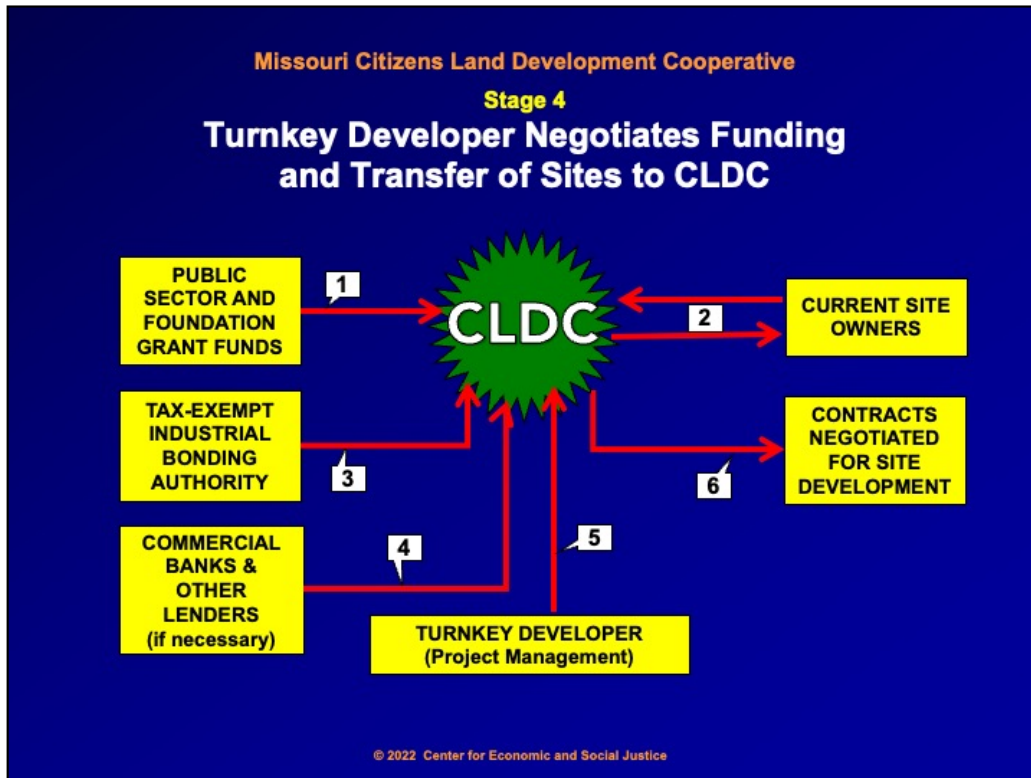


1. CLDC applies to the State Government for a charter as a for-profit, citizen-owned land planning and development entity. It would be empowered to acquire the community's land both by purchase from current owners or free transfers from government. This would enable all permanent community residents as members of the CLDC to plan land uses and share in future development profits. To encourage faster rates of local development, local governments would be encouraged to shift from property taxes to taxes on all forms of personal income above the poverty line, including dividends resulting from the CLDC growth model.
2. When chartered, the CLDC would apply for and receive from the Federal Government comparable tax benefits for citizen-shareholders as current tax laws provide for worker-owners of an S-Corporation Employee Stock Ownership Plan ("S-Corp ESOP"). The CLDC would also receive the same tax treatment as a 501(c)(3) corporation for receiving donations of land from government, private donors and foundations.
3. Front-end funding is provided to enable CLDC to hire a qualified Turnkey Developer (TD) to plan, manage and arrange financing under CLDC board approval for developing CLDC land under a 100-year plan that will sustain maximum dividend incomes and ownership participation rights of all citizen-shareholders.



Subject to CLDC Board approval, a TD develops:

1. Land acquisition strategy, site appraisals, overall CLDC business plan, and all aspects of project management, from initial concept through planning and development and site management.
2. Site use, environmental, economic and financial feasibility studies.
3. Design competition process for 100-year plan for comprehensive anticipatory and life-enhancing development that empowers all members of the community.
4. Architectural design competitions for basic community facilities and infrastructure to attract private sector and government users of space.
5. Plan for vote by citizens, following expert panel selection of top competitors in design competition.
6. Plan for meeting housing transition problems of citizens during development process.
7. Letters of intent negotiated with prospective occupants of sites.
8. Financial strategy and, if necessary, negotiations with outside partners and investors.

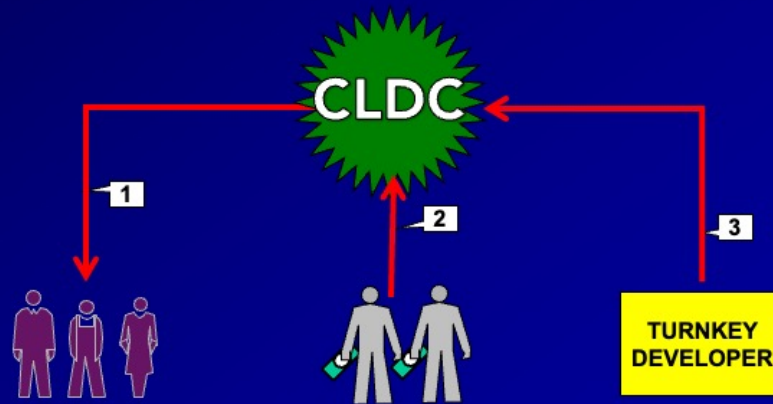


1. CLDC approves TD proposals for public sector and foundation grants to pay for start-up costs, and for recruiting and training a permanent CLDC management team to handle all aspects of land and infrastructural development, real estate marketing, management and site maintenance, and supporting services to viable companies and users of the CLDC sites.
2. CLDC negotiates for cash-free transfers of government-held land and purchases of project lands from private owners.
3. CLDC negotiates tax-exempt industrial bonds for infrastructure development.
4. CLDC seeks and negotiates with commercial banks and other lenders to close gaps in overall funding requirements.
5. TD, based on policies approved by CLDC shareholders, provides overall project management.
6. Contracts negotiated with qualified bidders for site development.

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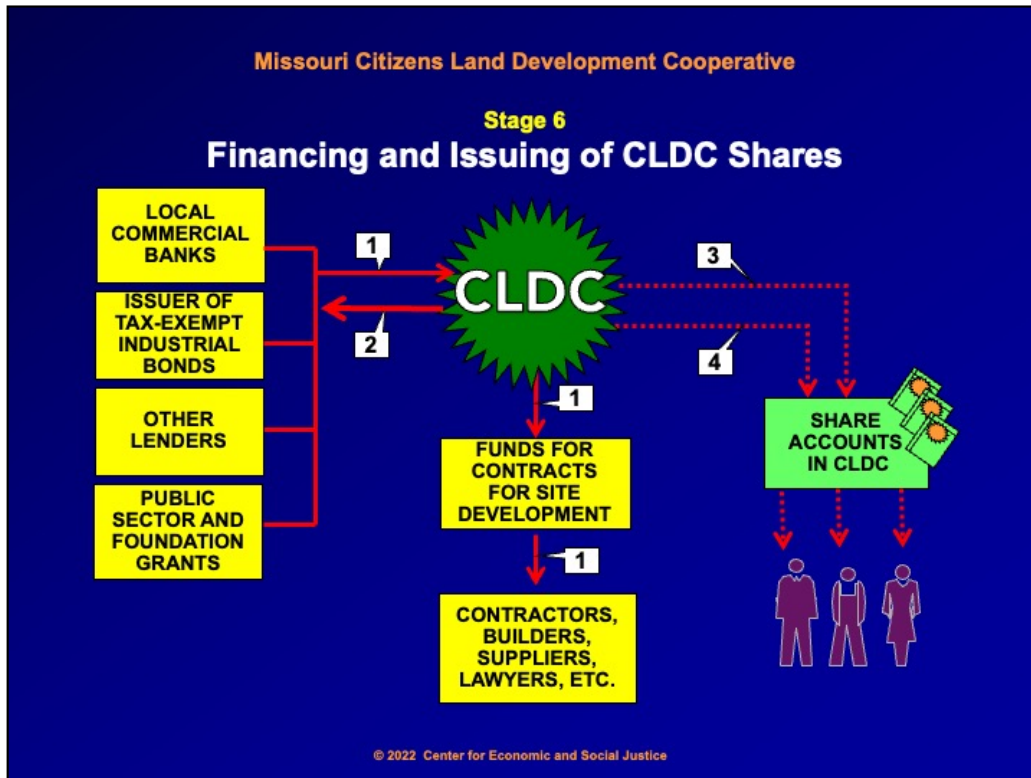
Stage 5

CLDC Becomes Activated with Citizen Accounts



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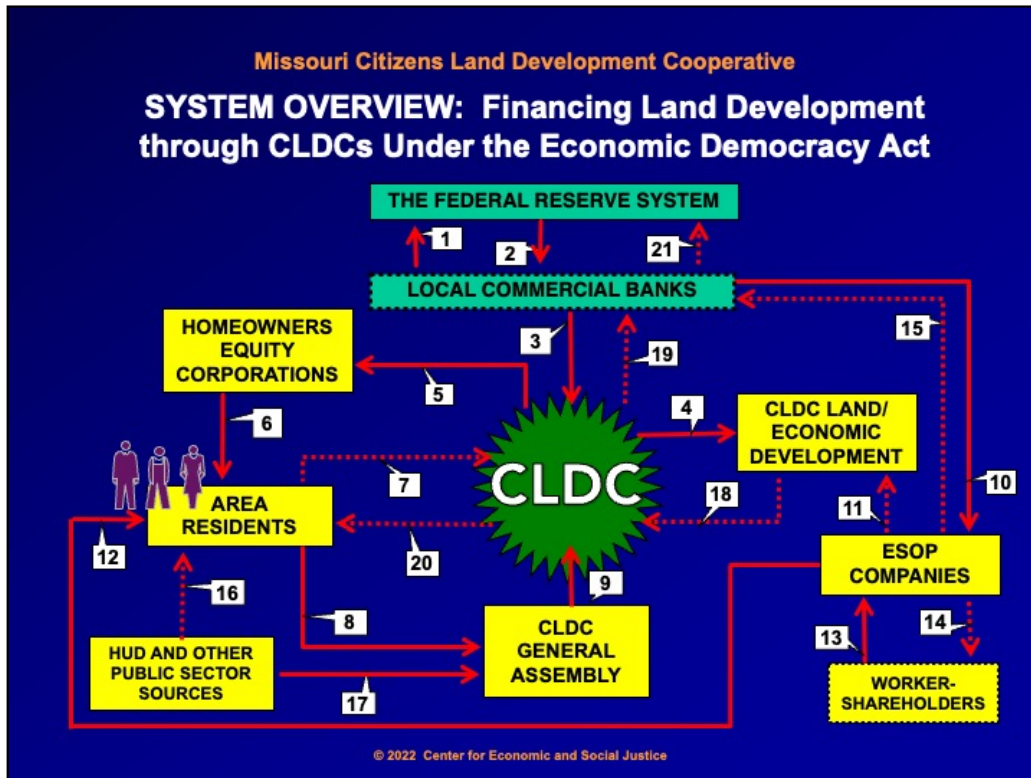
1. Citizens acquire rights to participate as shareholders of CLDC, with each man, woman and child who remains or becomes a permanent resident receiving a free, lifetime, non-transferable voting share in the CLDC. The share would be voided upon death or change of permanent residence.
2. Additional investment in CLDC shares from outside investors if necessary, but subject to repurchase by CLDC on agreed-upon formula price.
3. Overall development plan submitted for CLDC board approval and CLDC General Assembly.



1. Funds transferred for developing sites.
2. CLDC guaranties loan repayment, pledging as collateral the land and other assets of the CLDC.
3. CLDC issues free, non-transferable, full dividend payout, voting shares to tax-sheltered accounts within CLDC for broad-based ownership by local citizens.
4. Special CLDC (cash) bonuses could be awarded under the CLDC's Community Participation Plan to citizens or public servants who make special contributions to improving the quality-of-life of the community.



1. Revenues received from long-term leases of CLDC land, space and facilities rentals, extraction and infrastructure user fees, and maintenance contracts.
2. CLDC repays debt to bondholders and other lenders on CLDC loans for land acquisition and infrastructure development. Lenders release CLDC land and other assets pledged as collateral as loan is repaid.
3. Dividend withholding taxes provide public sector revenues lost by the exemption from property taxes on all property on land owned by the CLDC.
4. Citizen Dividends (CD) distributed monthly in cash to every CLDC shareholder from land rentals and other CLDC fees, after operating costs, CLDC debt service payments, and dividend withholding taxes.
5. Community Shareholders receive annual CLDC shareholder reports and summary of annual citizen dividends.



1. CLDC's approved ownership-expanding loans are presented by local commercial banks for Fed discounting (Sec. 13 of Federal Reserve Act).
2. Fed monetizes CLDC's qualified bank loans for private-sector growth at fee of 1% or less.
3. Banks make insured, no-interest loans (with service charges) to CLDC for land, community facilities and infrastructure development.
4. CLDC invests in land and infrastructure for industrial, commercial, agricultural and other development.
5. CLDC invests in land and infrastructure for housing and community facilities.
6. Homeowners Equity Corporations (HECs) can be established for rent-to-own arrangements with pre-tax financing of homes for homeowner-shareholders.
7. Citizens and businesses pay rentals to the CLDC for long-term leases on land upon which their homes and improvements are situated. (Rentals would provide CLDC dividends to all citizens.)
8. Citizens form CLDC General Assembly and participate in community activities.
9. Community Participation Plan developed to enable citizens to earn CLDC cash bonuses.
10. Banks make low-cost loans to ESOP companies, repayable with tax-deductible profits.
11. ESOP companies lease land from CLDC.
12. ESOP companies recruit, hire, train and offer ownership sharing opportunities to citizens.
13. Worker-owners participate in wealth creation through their labor and productive capital contributions.
14. Workers earn wages, dividends, bonuses and ESOP shares.
15. Companies pay off their ESOP loans with future pre-tax company profits and/or dividends.
16. Housing vouchers provided to low-income families for mortgage payments through HECs.
17. Grants approved for developing community participation plans.
18. CLDC earns profits from long-term land leases, rentals, user and extraction fees, and maintenance and service contracts.
19. CLDC pays off bank loans with future pre-tax profits.
20. CLDC dividends are allocated as taxable incomes to citizens as CLDC repays bank loans.
21. As CLDC's bank loans are repaid, new money (created to finance expanded citizen ownership of private-sector growth assets) is cancelled or recycled for additional growth.