

Community Investment Corporation

# “Linking People to Land and Technology Through Ownership”



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The Community Investment Corporation (CIC) — also called a “Citizens Land Cooperative” (CLC) — is one of several innovative credit financing vehicles aimed at realizing a free-enterprise vision for re-humanizing the future of the American economy.

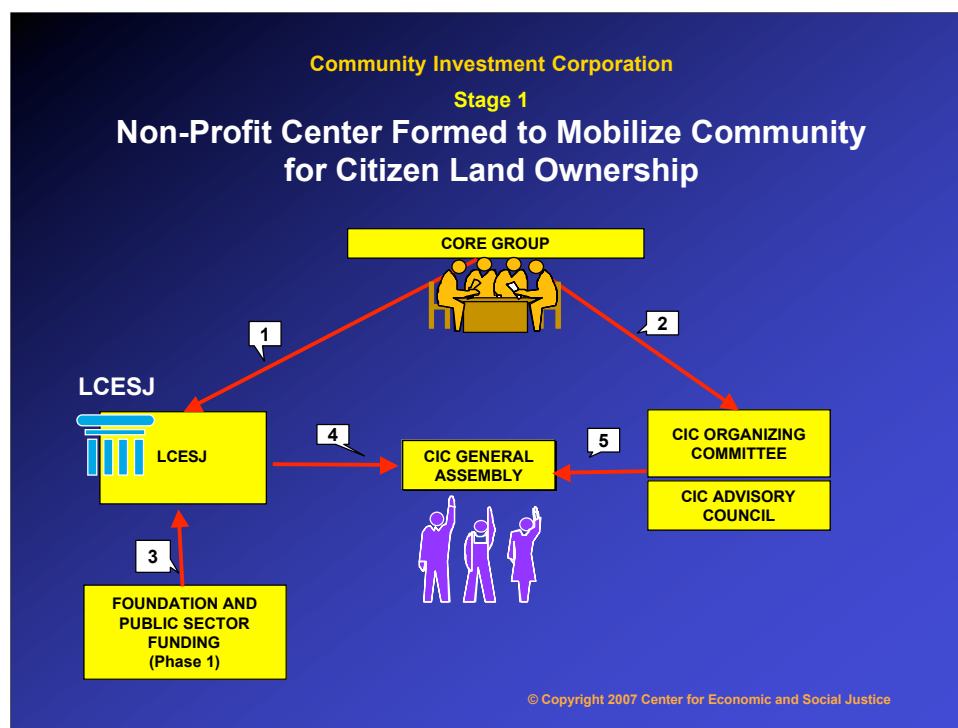
The CIC is a keystone of a new private sector strategy known as “Capital Homesteading,” which recognizes the ownership of productive capital as a new right of citizenship and supplemental source of personal income.

The CIC is designed to finance livable and inspiring “new communities” in which every worker and resident would be afforded the right and the effective 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 CIC turns community residents into its principal shareholders.

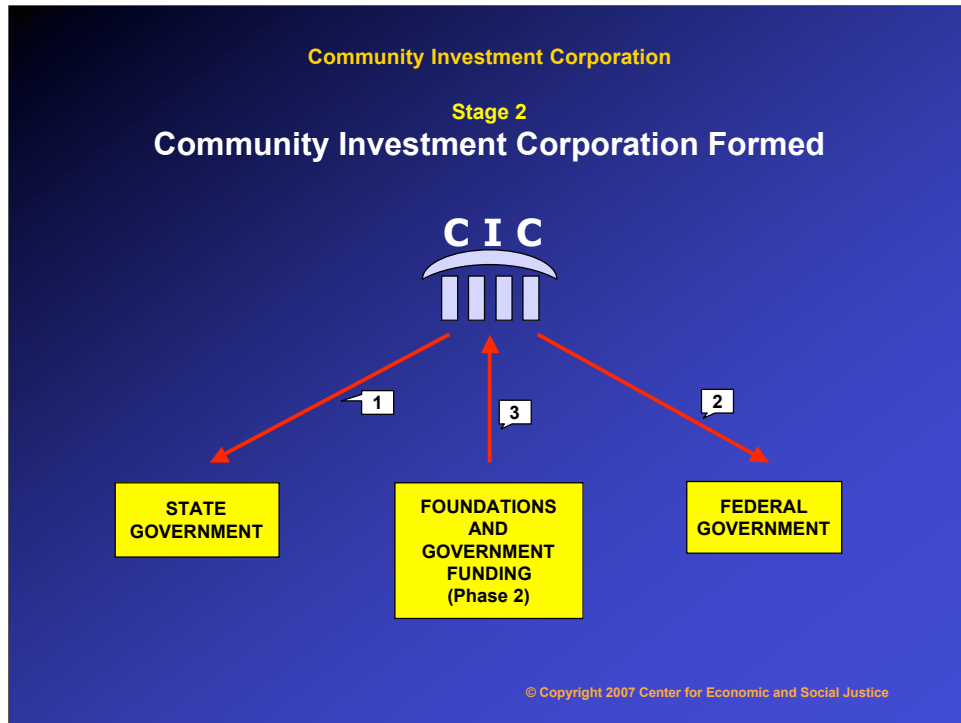
The CIC offers a planning framework for financing local infrastructure to increase land values and attract new worker-owned industries and entrepreneurial opportunities. It can also provide financing incentives for introducing and commercializing advanced technologies that can be owned by local workers, 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 for commercializing advanced technologies linked with broad-based ownership participation in land development among area residents and workers.

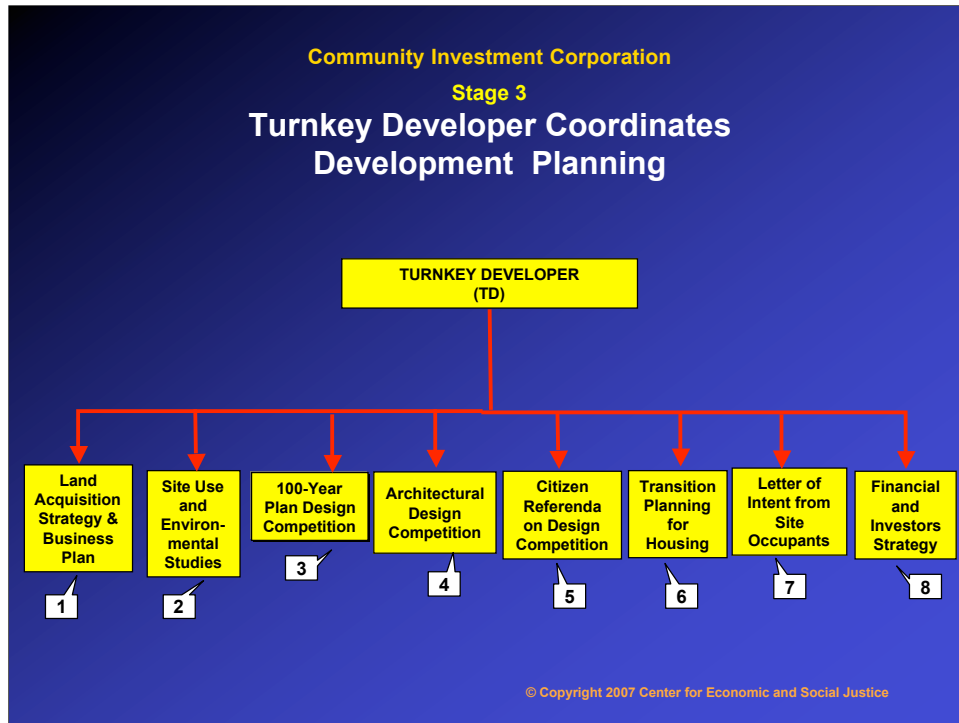
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1. Core leadership group organizes and incorporates a not-for-profit Local Center for Economic and Social Justice (LCESJ) to educate all members of community on a free enterprise version of economic and social justice, economic empowerment goals, new sources and mechanisms for financing economic development, and personal benefits that would flow from organizing a Community Investment Corporation/Citizens Land Cooperative.
2. LCESJ organizes a volunteer CIC Organizing Committee consisting of a diverse group of community leaders, and an CIC Advisory Council made up of professionals and influential supporters outside the community. The two organizing bodies develop the initial vision, strategy, operational plan and tasks for forming a CIC and prioritizing initial projects, including broad-based citizen participation in the CIC planning process.
3. LCESJ applies for and receives public sector and foundation for funds to organize a non-partisan election for selecting neighborhood representatives to a CIC General Assembly to structure the CIC's governance process, form committees to develop basic policies and goals, and facilitate formation of the CIC.
4. LCESJ organizes neighborhood or precinct elections to select representatives to a CIC General Assembly.
5. CIC Organizing Committee and Advisory Council provide volunteer assistance to CIC General Assembly and standing committees of CIC for mobilizing support and approving Citizen Shareholders Participation Plan, CIC bylaws, and initial sites to be developed by CIC.

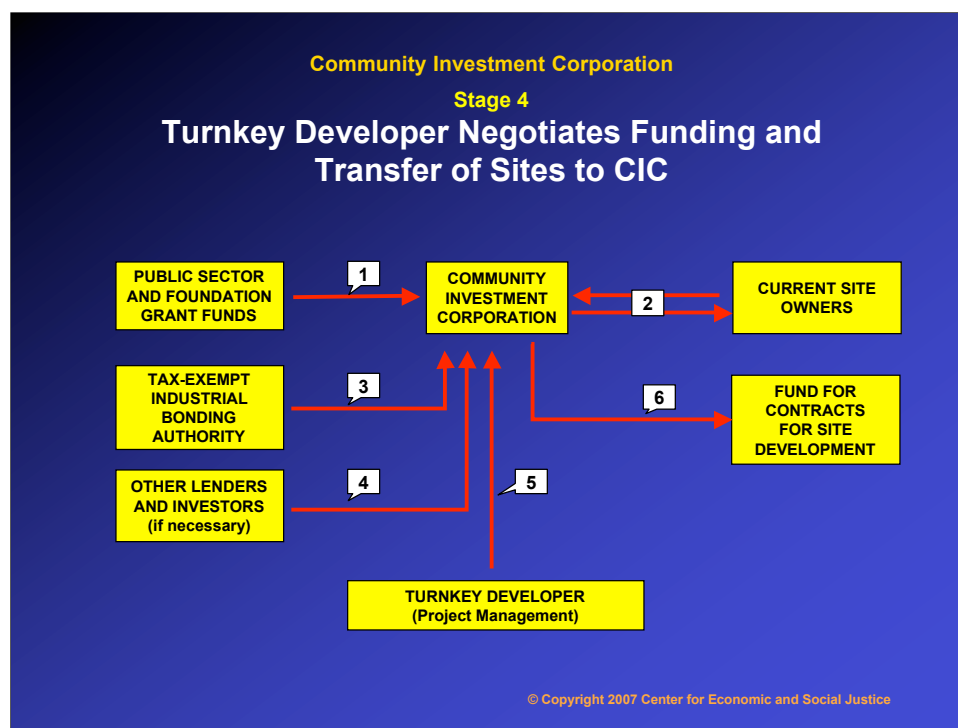


1. CIC/CLC applies for and is granted charter by State Government as a for-profit, citizen-owned land planning and development corporation or cooperative. It would be empowered to acquire land by purchase or donation, to receive delegation from local government of the powers of eminent domain to plan land uses and to distribute shares and citizen dividends from land use and infrastructure fees. To encourage faster rates of local development, local governments would be encouraged to shift from property taxes to taxes on all forms of income above the poverty line that would be tied to growing personal incomes from wages, salaries and dividends that would result from the CIC growth model.
2. When chartered, the CIC/CLC 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 CIC/CLC 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 CIC/CLC to hire a qualified Turnkey Developer (TD) to plan, manage and arrange financing under CIC board approval for developing CIC land under a 100-year plan that will sustain maximum dividend incomes and ownership participation rights of all citizen-shareholders.

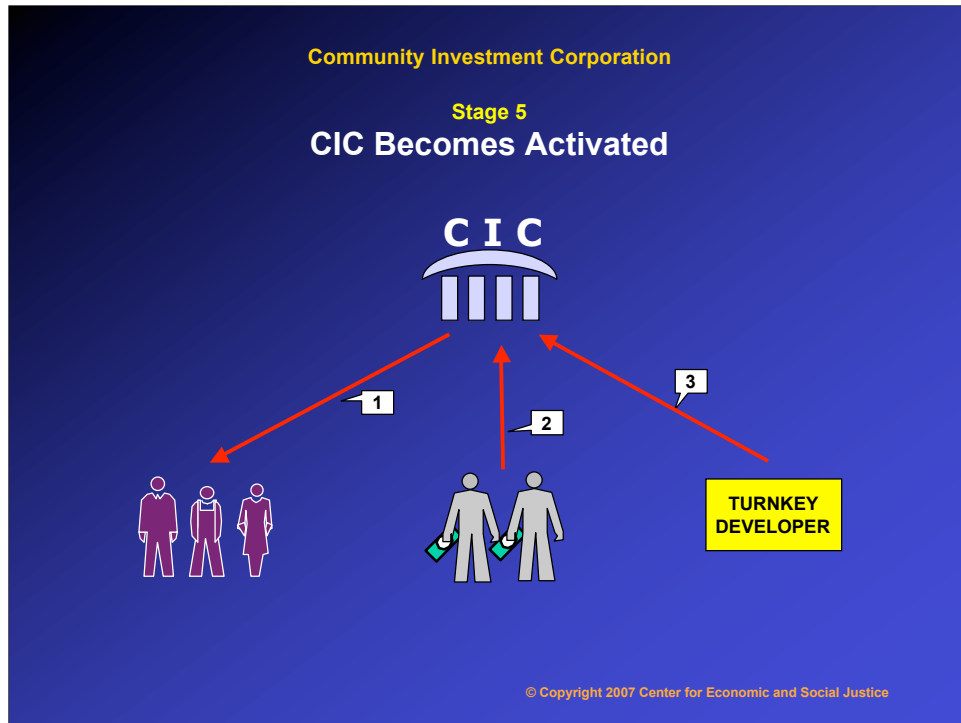


Subject to CIC Board approval, a TD develops:

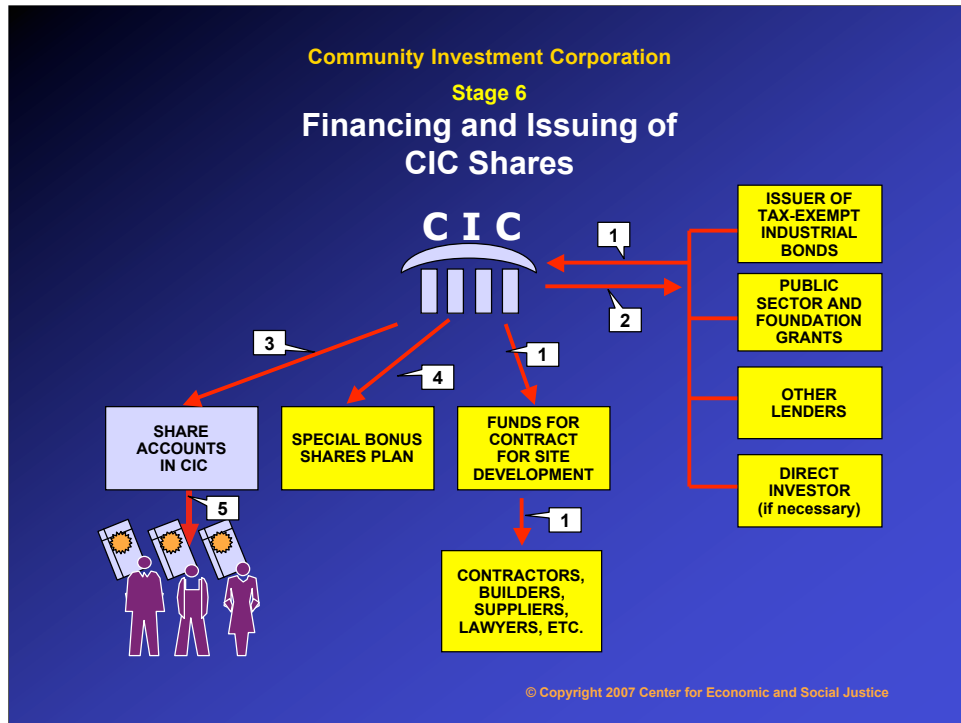
1. Land acquisition strategy, site appraisals, overall CIC business plan, and all aspects of project management, from initial concept through planning and development and site management.
2. Site use, environmental studies, economic and financial feasibility studies.
3. Design competition process for 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.



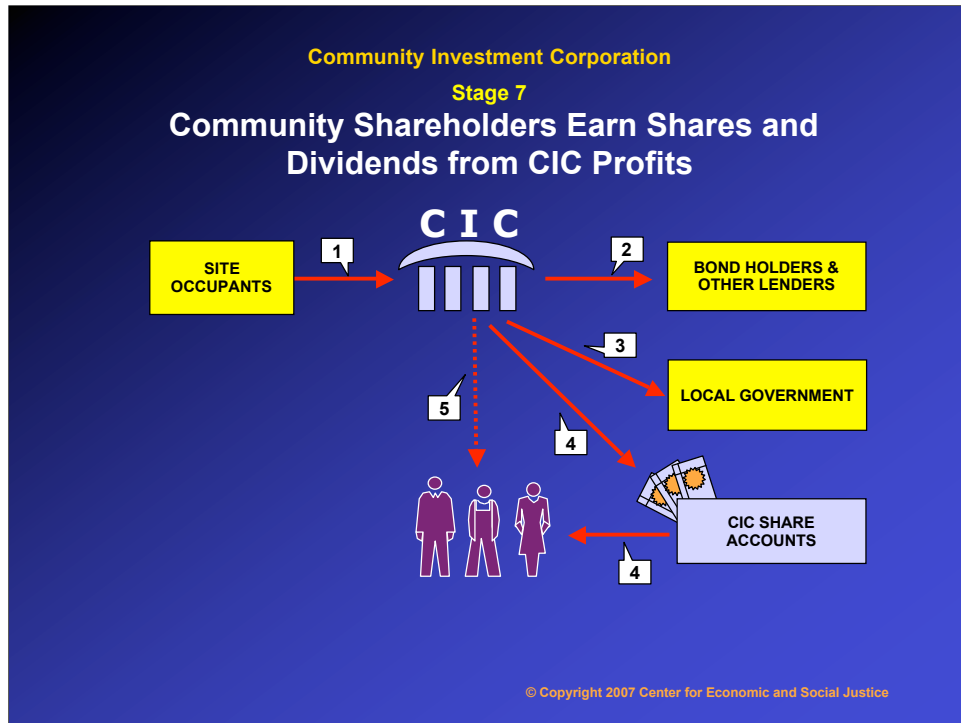
1. CIC approves TD proposals for public sector and foundation grants to pay for planned acquisitions of land, and for recruiting and training a permanent CIC management team to handle all aspects of land and infrastructural development, real estate marketing, management and site maintenance, and supporting services to viable companies and users of the CIC sites.
2. CIC negotiates for cash-free transfers of government-held land and purchases of project lands from private owners.
3. CIC negotiates tax-exempt industrial bonds for infrastructure development.
4. CIC seeks and negotiates with other lenders and investors to close gaps in overall funding requirements.
5. TD, on behalf of CIC shareholders, provides overall project management.
6. Monies from industrial bonds, lenders, and investors acquired for site development.



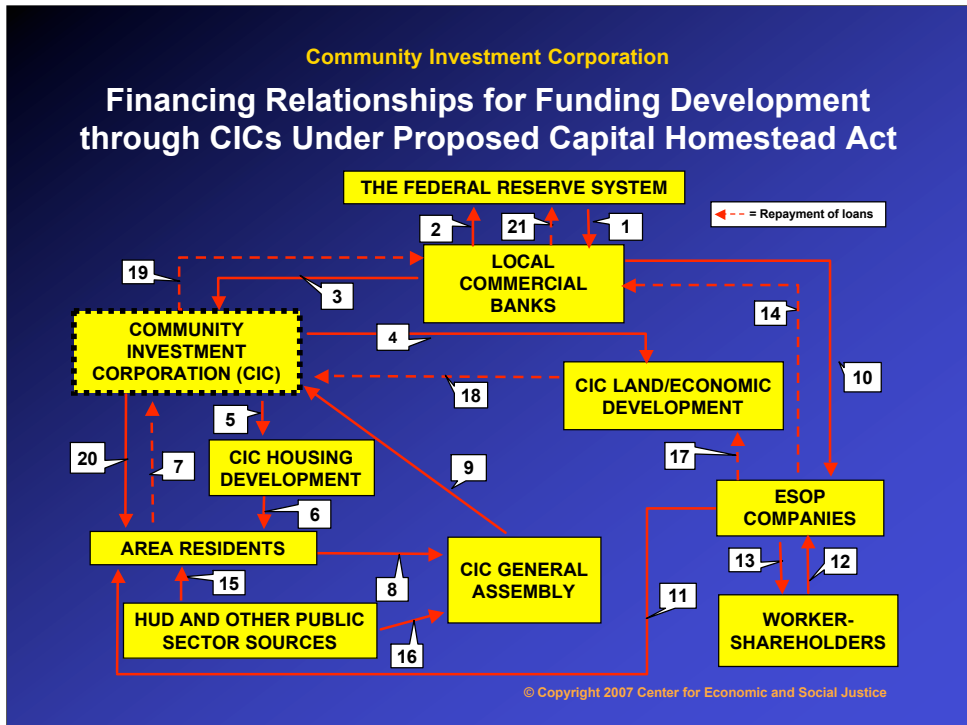
1. Citizens acquire rights to participate as shareholders of CIC, with each man, woman and child who remains or becomes a permanent resident receiving a free, lifetime, non-transferable voting share in the CIC. The share would be voided upon death or change of permanent residence.
2. Additional investment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



1. Funds transferred for developing sites.
2. CIC guaranties loan repayment, pledging as collateral the land and other assets of the CIC.
3. CIC issues free, non-transferable, full dividend payout, voting shares to tax-sheltered accounts within CIC for broad-based ownership by local citizens.
4. Special CIC bonus shares awarded under the CIC'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 selling and leasing CIC land and space, plus maintenance contracts.
2. CIC repays debt to bondholders and other lenders on CIC loans for land acquisition and infrastructure development. Lenders release land pledged as collateral as loan is repaid.
3. Dividend withholding taxes to provide public sector revenues lost by the exemption from property taxes on all property on land owned by the CIC.
4. Citizen Dividends (CD) distributed monthly in cash to every CIC shareholder from land rentals and other CIC fees, after operating costs, CIC debt service payments, and dividend withholding taxes.
5. Community Shareholders receive annual CIC shareholder reports and summary of annual citizen dividends.



1. New bank loans for private sector growth are monetized at Fed servicing fee (1% or less).
2. Eligible expanded ownership loans discounted (Sec. 13 of Federal Reserve Act).
3. Banks make low-cost loans to CIC for land, housing, community facilities and infrastructure development.
4. CIC invests in land and infrastructure for industrial and commercial development.
5. CIC invests in land and infrastructure for housing and community facilities.
6. CIC packages mortgage loans for sale to citizens.
7. Citizens make mortgage payments (supplemented by HUD and other housing subsidies) to pay CIC or mortgage lenders to acquire equity in their homes.
8. Citizens form CIC General Assembly and participate in community activities.
9. Community Participation Plan developed to enable citizens to "earn" bonus CIC share
10. Banks make low-cost loans to ESOP companies, repayable with tax-deductible profits.
11. ESOP companies recruit, hire, train and offer ownership sharing opportunities to citizens.
12. Worker-owners participate in wealth-creation through their labor and productive assets.
13. Workers earn wages, dividends, bonuses and ESOP shares.
14. Company pays off ESOP loan with future pre-tax company profits and/or dividends.
15. Interim subsidies paid to low-income families for mortgage payments.
16. Grants approved for developing community participation plans.
17. ESOP companies purchase or lease land and facilities from CIC.
18. CIC earns profits from land development.
19. CIC pays off bank loans with future pre-tax profits from sales and leases of land, facilities and housing, user fees, and fees for services and maintenance.
20. CIC dividends are allocated as taxable incomes to citizens as CIC repays bank loans.
21. As bank loans are repaid, new money (created to finance expanded citizen ownership of private sector growth assets) is cancelled or recycled for additional growth.