

**THE HEART OF AMERICA PROJECT:  
Community-Based Citizen Ownership of Land and Business Development**

**EXECUTIVE SUMMARY**

**Objective:** To demonstrate at the community level how the **12 regional Federal Reserve Banks** (starting with the St. Louis Fed), commercial banks and private insurance companies could finance sustainable economic growth, while creating equal capital ownership opportunities for every citizen. **The Heart of America Project** introduces a series of monetary and tax innovations targeting the systemic causes of poverty, racism and the growing gap in wealth, income and opportunity. If successful, this model would be replicated throughout the U.S.

- **Special Features:** As part of a proposed transfer of city owned land (north, central corridor) to the CLDC, the project will employ a participatory economic development and citizen ownership mechanism called the **Citizens Land Development Cooperative**. The CLDC is one application of a new “economic empowerment” paradigm based on principles of free markets, private property, limited economic power of the State, and equality of future capital ownership opportunity for every person. This new approach for financing private-sector development extends to every citizen, rich or poor, from birth to death, equal access to new asset-backed money and insured capital credit for private-sector investment — without depriving current owners of their current wealth or property rights.
- **Citizen Ownership through the Citizens Land Development Cooperative:** The CLDC, operating as a professionally managed, citizen-owned land planning and development corporation, will enable every permanent resident within the newly developed community to acquire at no personal cost an equal, non-transferable, dividend-paying, voting share in the CLDC.

The CLDC is modeled after the proven leveraged Employee Stock Ownership Plan (ESOP). It is designed to receive on behalf of every citizen, transfers of government-owned land (preferably at no cost) and provide a tax-advantaged method of financing land development and new infrastructure. The CLDC would obtain insured capital loans from commercial and cooperative banks that have access to the discount window of the regional Federal Reserve bank. Such loans to the CLDC would be repaid with pre-tax future profits generated from land leasing and infrastructure and other user fees.

Once the CLDC’s loans are repaid, future income generated from land use would be paid out equally as dividends to each of the citizen-shareholders, who will also have an equal vote for representation on the CLDC’s Board of Directors, which will hire management. (The votes of children under the required voting age would be exercised by their parents or guardian.)

- **Start-up Phase:** The project will begin by contracting with at least one “magnet” corporation to locate a facility in the commercial zone of the selected area. Preference in the selection of the magnet company will be given to majority employee-owned companies. Special incentives will be given to ESOP companies and worker cooperatives seeking to locate in the community. To create a community-wide culture of ownership, one feature of the project might be to create a business incubator program where new businesses will be encouraged to adopt 100% S-Corp ESOPs with equal annual allocations of shares and voting pass-through.
- **Benefits:** Financing land development and corporate growth under the proposed reforms will create new jobs and stimulate faster, non-inflationary rates of private-sector economic growth, by providing businesses a tax-advantaged and lower-cost way to finance their future capital expansion. This would also empower every citizen (child, woman and man) with equal access to the means to acquire capital assets and gain a second source of consumption incomes from capital. In addition, it would give local residents greater control over land use and development priorities, along with greater accountability and transparency over the bidding and CLDC management hiring process.