

Simplified Business Plan Index

	<u>Page</u>
The Business:	
Company Description	1
Main Product	2
Secondary Products	3
Financing Sources	4
Marketing Plan - Main Product	5
Management	7
Directors	8
"At Worst" Fall-Back Position	9
The Financials:	
Phases to be Financed	10
Cash Flow Statement	11

Company Description

- Name: Co-Op Village Foundation, Inc.
- Date of Incorporation: 5/23/2005
- Type: Not for Profit
- IRS Status: 501(c)(3)
- Purpose: Community Land Trust
This corporation will own land, buildings and certain fixed assets only.
- Other Legal Issue: Other **non-related** corporations will be owned by the residents for the purposes of daily operations and income production. This will give legal and financial protection to the land trust.
- CLT: A community Land Trust is a corporation whose purpose is to hold, protect and conserve property forever to be used only for the purpose spelled out by its charter.
- Mission: To give mankind an optional way of living by promoting the building of villages of 500 persons based on cooperation, its own internal economy, self-sustaining, forever. A way of living that would be healthy for both the individual and the planet. Based on the ideals of moral and political egalitarianism, we recognize that every individual brings their own gifts and needs, but in the decision-making process each person is considered equal to the others. This would be a place where all decisions would be based on what is in the best interest of all concerned.
- Our means would be twofold.
- Design such a village and share our ideas and experience with others for free.
 - Build such a village in Northwest Florida.

MAIN PRODUCT

Construct and operate a village in Escambia or Santa Rosa County, Florida, having the following features:

1. Provide affordable housing for 500 persons on 500 – 1,000 acres.
2. Cooperatively, providing for life:
 - a. Food,
 - b. Utilities,
 - c. Maintenance
 - d. Transportation
 - e. Child Care
 - f. Assisted living if necessary
3. Providing jobs and job training to residents that need them.
4. Provide health benefits to residents that need it.
5. Provide advanced education and homes for resident children that mature and choose to remain.
6. Provide commercial buildings to work out of.
7. Extremely earth friendly.
8. Self sustaining as much as possible.
9. Governance by consensus of all residents.
10. Owned and operated by cooperative corporations owned only by residents.
11. Cashless internal economy.
12. Financed by the village for those who cannot make initial full payment.
Full payment financing may be as low as \$100 per month.
13. Construction to be done by residents.
14. Diverse population (age, race, faith, sex, income, education, health, etc.)
15. Unit cost of \$40,000 per person.
Cost to children may be deferred until adulthood.

SECONDARY PRODUCTS

Subsequent corporations would be formed for the purpose of generating outside cash for residents and the village. Features are as follows:

Products: Construction, plumbing, electrical, solar energy systems, health insurance, etc.

Residents would partner with the village in starting businesses that are deemed low risk by the village business department.

Training: Most employees would be residents who have been trained by the village.

Support Systems: The village would maintain a well developed and staffed business office, fleet transportation system, supply department, training program, business financing, etc. to manage and support such ventures.

Competitive Edges:

1. Workforce can be laid off for months at a time without harming them in lieu of taking low profit work just to maintain the workforce.
2. Resident employees have room and board covered for life therefore are not cash starved.
3. Ample supply of workers available.
4. Storefronts need not be maintained.
5. All profits, most wages and most overhead stay within village.
6. Most other trades available in village to back up project (welders, legal, a/c etc.)
7. Mass transportation for workers.
8. Most of the labor would be free.
9. Ability to avoid payroll taxes and worker compensation insurance.
10. Due to extremely low overhead and all profits remaining in village, competitor's prices can always be undercut, allowing the ability to "cherry pick" contracts.

FINANCING SOURCES

Financing will be utilized from the following areas:

Resident Investment

Private Investment

HUD & Dept. of Agriculture

- Plan Development Seed Money
- Land Acquisition
- Construction
- Energy System
- Water / Waste Water system
- Library
- Infrastructure
- Farm Loan
- Fire Department

HUD

Section 8 program to subsidize rent payments.

Note: Once a tenant has paid or prepaid \$40,000 in rent he will then have a life estate interest.

Grants

- Green Building
- Intentional Community
- Dept. Of Energy – Alternative Energy systems
- EPA - Alternative water / waste water systems

Interim Construction Loan

Land Seller Financing

Options on unused parcels. One parcel will be purchased for each phase with options to purchase the remaining parcels as needed.

SBA

Business Development / Jobs Creation

Note: All mortgages are planned to be paid off within 10 years in order to leave the Community Land Trust free and clear.

Marketing Plan - Main Product

For the village to be successful, its demographics need to match the local overall demographics. This is especially true in regards to age. Therefore, the village must appeal to all age groups and within those groups, must appeal to the high income, middle income, working poor as well as the poor.

Benefit Messages to be delivered to age sub-groups:

Young Persons. The community can help these persons by providing a means of home ownership in three to six years, help with child care, experienced advice and training, lower cost of living, security in the event of unemployment, dinners prepared during busy evenings, possible financial assistance, access to unaffordable assets, and dignity while starting a family and career.

Middle Aged Persons. The community can help these persons by providing a network of caring relationships, opportunity to reduce working hours, lower cost of living, daily adventure and an opportunity to serve others.

Retired Persons. The community can help these persons by providing caring relationships, opportunity to serve others and use their skills, home security while traveling, lower cost of living, daily adventure, caring assisted living when they need it.

Children. The community can help these persons by providing help with child care / rearing, caring relationships, stability, transportation, advice, experience in maintaining unselfish relationships, community involvement, and learning cooperation instead of competition.

Elderly and Physically Handicapped Persons. The community can help these persons by providing caring relationships, involvement, dignity, concern and attention, transportation, physical work and assistance, repairs, lower cost of independent living, protection and need for their advice and knowledge.

Homeless Persons. The community can help these persons by assisting in financing of home ownership, job training if necessary, providing jobs, low cost of living, transportation, dignity, caring relationships, access to unaffordable assets.

Home Ownership Message to most age groups:

Outside the Village:

- Access to a new home in our current economic system costs **\$200,000**.

Village Offering:

- Access to a new home in the village will only cost each adult **\$40,000**
- Regardless of credit history / rating
- Can be financed by the village for up to 40 years
- Jobs and job training will be provided for those that need it.
- Food and utilities
- Child Care
- Transportation
- Health Care

Security Message to all age groups:

Dreaded “D’s”

The village economy would provide a lifetime shield from the financial impact of the dreaded “D’s”, that being: downsized, divorced, death of a partner, disease, disability, dementia and delinquent utility bills.

Management

The village intends to build a business office and staff it with the following professional persons to manage the business affairs:

Persons

- Accounting (4)
- Auditors (2)
- Budget Analysts (2)
- Health Benefits Accounting (3)
- Legal (2)
- Small Business Advisor (2)
- Human Resources (2)
- Entitlement Advisor (2)

Directors

Brown, Pam

- Electrical Engineer
- Systems Engineer
- Contract Specialist
- Procurement

Costa, Jim

- Former CPA
- Controller (Business turn arounds)
- Systems Analyst
- Paralegal

“At Worst” Fall-Back Position

Some options to the village in the event of financial difficulty are:

- Increase the resident’s workweek above the 20 hour standard week.
- Postpone the plan to pay off mortgages within 10 years by utilizing the government’s payback term of 40 years.
- Construct an additional 9 clusters with resident fees at \$60,000. This would yield net cash inflow of \$3 million, after construction costs.
- Convert one cluster (out of 15) to assisted living facility or nursing home housing 50 persons. This would generate revenue of as much as \$150,000 per month with extremely low overhead and no wages. This should yield about \$1 million per year in profit to repay the \$5 million loan.

Revenue would come from Medicaid, Medicare, SSI, HUD Section 8, etc.

This could be done for more than just one cluster.

- Convert one cluster for seminars teaching the new technologies and systems utilized by the village.

Cost per Phase

	<u>Quantity</u>	<u>Phase</u> <u>1</u>	<u>Phase</u> <u>2</u>	<u>Phase</u> <u>3</u>	<u>Phase</u> <u>4</u>	<u>Phase</u> <u>5</u>	<u>Total</u>
Land Acquisition		2,000,000	1,340,000	1,000,000	1,000,000	1,000,000	6,340,000
Land Improvements		200,000	102,000	50,000	40,000	10,000	402,000
<u>Neighborhood:</u>							
Homes	45	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	6,750,000
Cisterns, Septic, other	45	315,000	315,000	315,000	315,000	315,000	1,575,000
Restaurant	1	75,000	75,000	75,000	75,000	75,000	375,000
Meeting Hall	3	150,000	150,000	150,000	150,000	150,000	750,000
Laundry	3	75,000	75,000	75,000	75,000	75,000	375,000
Garage / Workshop	3	120,000	120,000	120,000	120,000	120,000	600,000
Gazebo	3	15,000	15,000	15,000	15,000	15,000	75,000
Well	3	12,000	12,000	12,000	12,000	12,000	60,000
							-
<u>Trades Buildings</u>							
							-
Central Operations			69,300				69,300
Communications			69,300				69,300
Construction			33,000				33,000
Maintenance			49,500				49,500
Sanitation			49,500				49,500
Warehouse			99,000				99,000
							-
Barber / Beauty				24,750			24,750
Child Care				115,500			115,500
Social Services				59,400			59,400
Welding				6,600			6,600
							-
Auto Shop					49,500		49,500
Business Center					69,300		69,300
Focus Groups					29,700		29,700
Gym					100,000		100,000
Health Building							

Phase 1 Cashflow

Beginning Fund Balance	\$	-	<u>\$ 1,316,000</u>	<u>\$ 1,288,000</u>	<u>\$ 1,310,000</u>	<u>\$ 1,502,000</u>	<u>\$ 1,694,000</u>
	<u>Qty</u>	Year <u>1</u>	Year <u>2</u>	Year <u>3</u>	Year <u>4</u>	Year <u>5</u>	Year <u>6</u>
<u>Revenue</u>							
HUD, DOA		5,000,000	-				
Private Investors		500,000	-				
Sales - Life Estates	12	1,000,000	-				
Rent Subsidies	28	70,000	201,000	201,000	201,000	201,000	201,000
Rent	5	36,000	36,000	36,000	36,000	36,000	36,000
Village Earnings			600,000	600,000	600,000	600,000	600,000
		-----	-----	-----	-----	-----	-----
		-----	-	-	-	-	-
Total Source of Funds		<u>\$ 6,606,000</u>	<u>\$ 837,000</u>	<u>\$ 837,000</u>	<u>\$ 837,000</u>	<u>\$ 837,000</u>	<u>\$ 837,000</u>
<u>Disbursements</u>							
Construction		5,000,000	-	-	-	-	-
Utilities		40,000	75,000	75,000	75,000	75,000	75,000
Food		150,000	300,000	300,000	150,000	150,000	150,000
Training		100,000	100,000	50,000	30,000	30,000	30,000
Health Coverage		-	100,000	100,000	100,000	100,000	100,000
HUD, DOA Payments		-	290,000	290,000	290,000	290,000	290,000
		-----	-----	-----	-----	-----	-----
		---	---	---	---	---	---
Total Use of Funds		<u>\$ 5,290,000</u>	<u>\$ 865,000</u>	<u>\$ 815,000</u>	<u>\$ 645,000</u>	<u>\$ 645,000</u>	<u>\$ 645,000</u>
Net Change		<u>\$ 1,316,000</u>	<u>\$ (28,000)</u>	<u>\$ 22,000</u>	<u>\$ 192,000</u>	<u>\$ 192,000</u>	<u>\$ 192,000</u>
Ending Fund Balance:		<u>\$ 1,316,000</u>	<u>\$ 1,288,000</u>	<u>\$ 1,310,000</u>	<u>\$ 1,502,000</u>	<u>\$ 1,694,000</u>	<u>\$ 1,886,000</u>

