



MISSION WEST COMMUNITY DEVELOPMENT PARTNERS

Local Investment, Local Impact:

Real Estate Investment Co -ops

Rural on the Rise · Mandan, ND · Sept. 29, 2026



Session Overview

- **The Cooperative Model:** Variations and development process
 - **Real Estate Investment Co -ops:** How the model works
 - **Moscow, Idaho:** A growing town of 25,000
 - **Ronan, Montana:** A Main Street town of 1,900
 - **Questions**
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- **Presenter:** Taylor Lennox, Cooperative Development Director

Mission West Community Development Partners

A rural economic development center in Ronan, Montana

We are a community economic development nonprofit based in Ronan, on the Flathead Indian Reservation, about an hour north of Missoula.

Our Cooperative Development Center helps everyday people create and grow businesses they own together, with hands-on support from the first conversation through sustainable operations.

Cooperatives have been the backbone of rural economies for more than a century. Our work is to carry that legacy forward by applying a proven model to new problems.

missionwestcdp.org

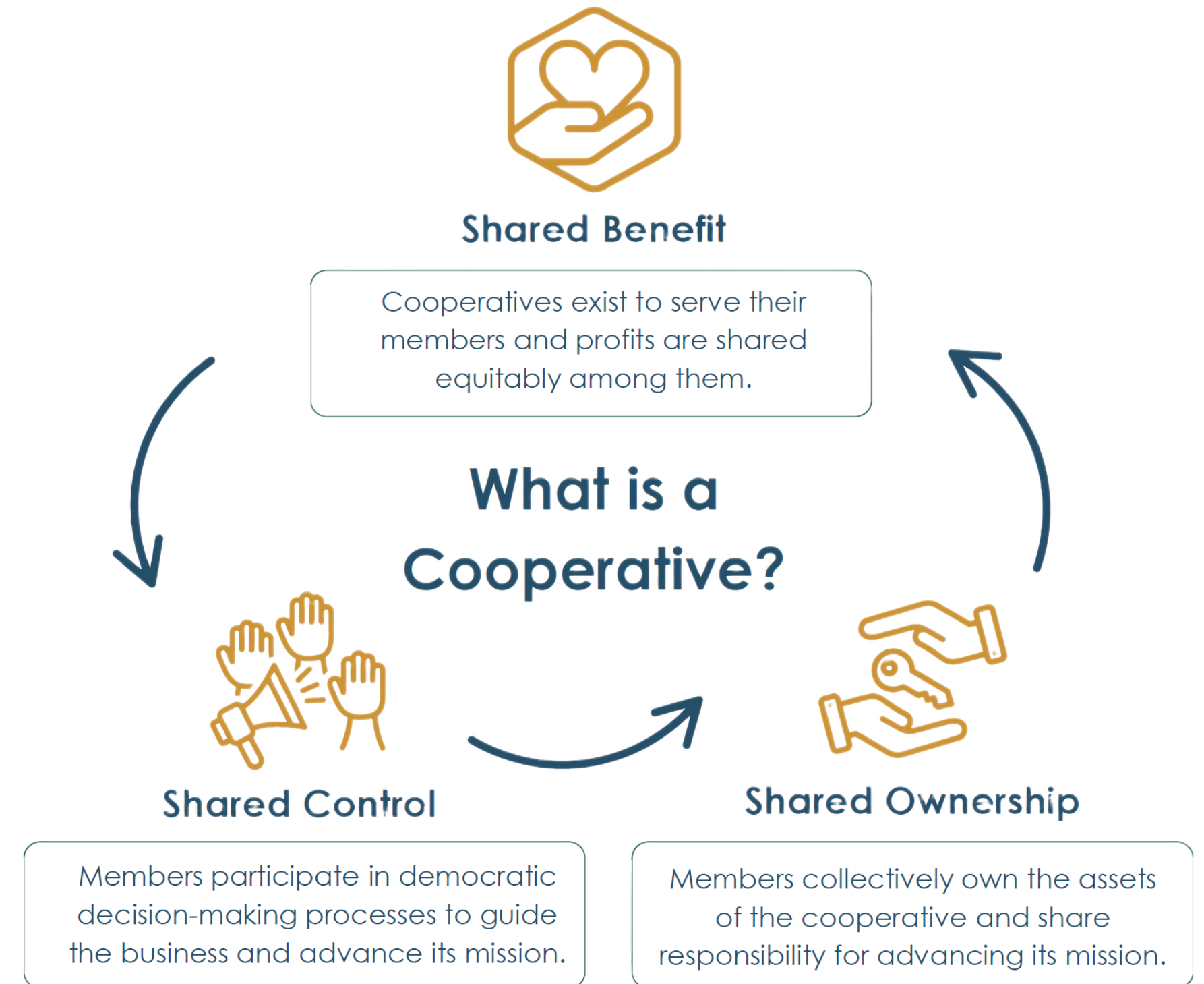


What is a cooperative?

“An autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs through a jointly-owned and democratically-controlled enterprise.”

— International Cooperative Alliance

- **Member -owned**
Members hold the equity and share in the benefits.
- **Democratically controlled**
One member, one vote - regardless of investment size.
- **Member -benefit**
Built to serve members, not to maximize outside profit.



Many Models, One Idea

Variations on the Cooperative Model

- **Consumer -Owned:** Members buy goods or services together. Think grocery co -ops, credit unions, rural electric (NDAREC!), telecom, and broadband co -ops.
- **Producer -Owned:** Members market or process together – grain elevators, dairy co-ops, farmer -owned food hubs.
- **Worker -Owned:** Employees own the business, share the surplus, and vote on its direction.
- **Housing:** Residents own the co -op that owns their building; limited -equity models keep homes affordable.
- **Investment:** Community members pool capital to buy, improve, and hold local property. Today's focus.



Community -Owned Real Estate

The Cooperative Difference

- 1 Open Membership
- 2 Equal Voting Voice
- 3 For Profit and Purpose

Cooperatives place ownership and control of properties in the hands of the people who've built their lives and livelihoods around them.

Housing Co -ops VS REICs

Similar models, different purposes

Housing Cooperatives

Residents own shares in the co -op that owns their building, and the co -op 'leases' each unit to the member who lives there.

Limited -equity models cap share resale to keep homes permanently affordable; market -rate models let members build equity.

Best suited to multi -unit buildings whose residents are ready to manage the property together.

Real Estate Investment Cooperatives

Community members pool capital to buy, improve, and hold local property: commercial, mixed -use, or housing.

Tenants may be members, but the ownership base is the whole community.

REIC's can act as engines for main street and community revitalization, and are not necessarily geared towards affordable housing (though they could be)

The difference: a housing co -op is owned by the people who live in one building. An investment co -op is owned by the people who care what happens to the town. Today's focus.

Why Cooperation Works

Broad, accessible participation is a business success factor, not just a value

1 Accessible participation

A few people investing a lot, many people investing a little, or anything in between. The model is strongest when the door is wide.

2 Community -wide resilience

When returns are spread across many households instead of a few, the whole local economy benefits and is steadier.

3 Better decisions

Many members bring many perspectives, balancing short -term needs against long -range thinking.

4 Built -in demand

A large base of owners is a large base of people with a reason to shop, lease, volunteer, and recruit .



Participation amplifies both the financial benefits and the social impact.

Financing Cooperative Real Estate



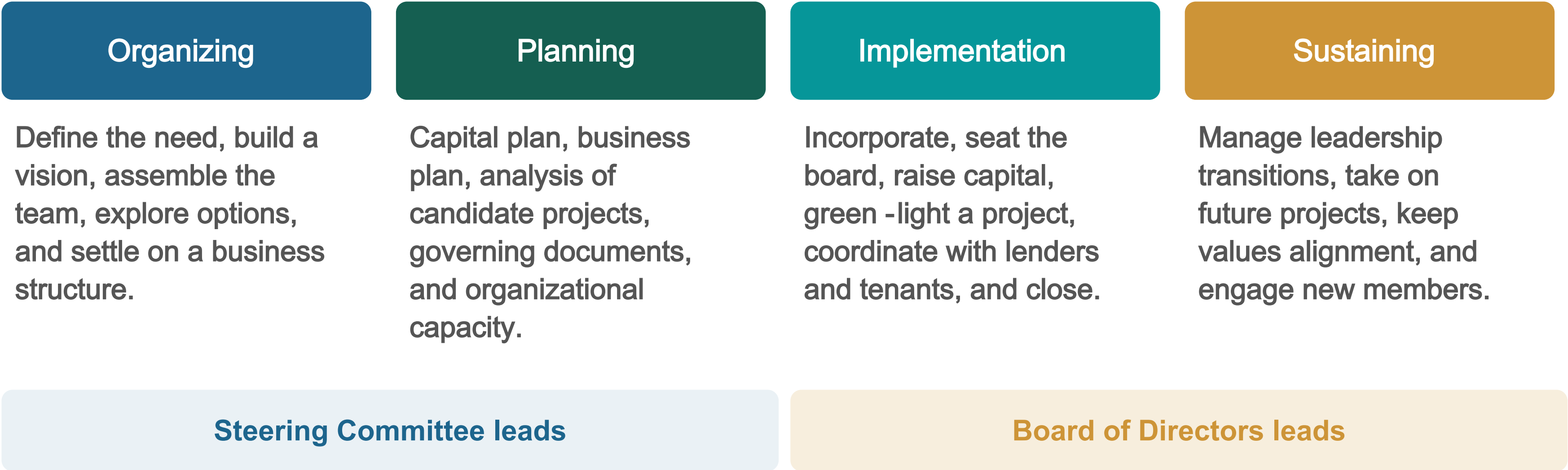
Aligns investment with community values, generating financial returns to advance social ends.

Raising Capital and Distributing Surplus

- **Shares:** Sold to members → build equity and participate in governance
 - *Dividend-bearing preferred stock offered for additional investment*
- **Operations:** Acquire, improve, and manage property to generate income
- **Revenue:** Covers operating expenses and builds reserves for future needs
- **Surplus:** Can be used to pay dividends and allocate equity to members

Cooperative Development Stages

From community idea to operating business



The steering committee represents the future owners before the business exists. Its job ends when the co incorporates and elects its first board. Both Moscow and Ronan organized their work around that handoff. -op

Where the Model Started

Northeast Investment Cooperative, Minneapolis — the country's first commercial real estate co-op

- Founded in 2011 by neighbors on Central Avenue NE, an aging commercial corridor that had seen decades of disinvestment.
- Volunteer -elected board, one member one vote, local capital and local profits.
- First project: bought and renovated two long -vacant buildings and leased them to a bike shop, a bakery, and a brewery.
- Financed with member capital (about 62 percent) plus a City of Minneapolis loan with a bank match.
- Issued its first return in 2015. Nearly 300 members today.



First project by the numbers

203

owners at project end

\$279K

owner capital raised

\$450K

total project cost

40+

jobs created

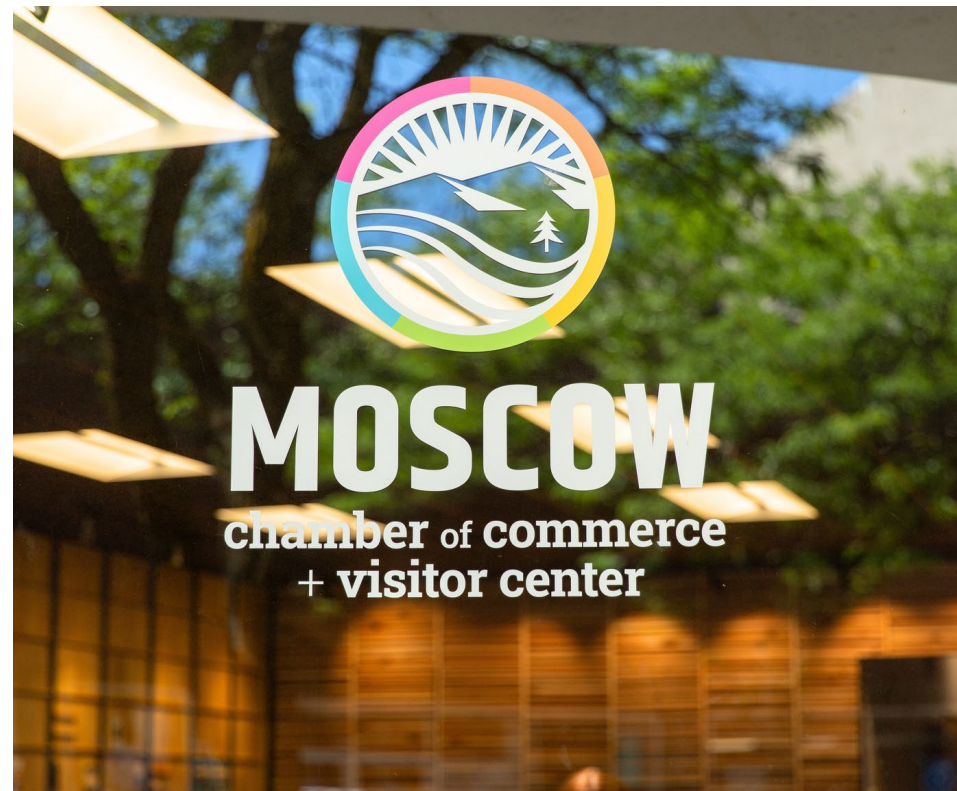
Figures from NEIC's community information session materials; neic.coop.

Moscow, Idaho

Heart of the Arts



- Rural Population Center (25k)
- Home to University of Idaho
- Vibrant Downtown District
- Social Capital + Civic Life



Organizing -Phase Leadership

Moscow Community Investment Cooperative

- **Steering Committee:** Local residents with small business, education, and non -profit backgrounds
- **Shared Vision:** Welcoming and inclusive spaces, diverse business community, vibrant cultural life
- **Working Groups:** To advance goals related to:
 - Business Development and Capitalization
 - Incorporation, Governance, and Policies
 - Membership Outreach and Engagement



Cooperative Development Process

Moscow Community Investment Cooperative

- **Education:** Governance and finance training, meeting facilitation, and role development
- **Technical Assistance:** Legal research, policy documents, and business planning
- **Networking:** Connections with other co-ops to share success factors and lessons
- **Messaging and Outreach:** Co-op member value proposition and recruitment materials



Spreading the Word

Moscow Community Investment Cooperative

- **Boots on the Ground:** Personal outreach by working group members
- **Pitch Packet:** Vision, investment opportunity, and how to get involved
- **Information Sessions:** Hosted weekly town halls to engage community
- **Pledge Campaign:** 300+ pledges for \$500k in start-up capital investment



Community Information Session in March 2025

Leadership & Investment Structure

Moscow Community Investment Cooperative

Leadership Transition

- **Steering Committee:** Retain historical knowledge
- **Initial Board:** Recruited highly qualified candidates

Governance

- **Board:** Strategy, financial stewardship, communications
- **Members:** Committees and voting during annual meeting

Acquisition Strategy

- **Commercial property** in downtown Moscow (rent -ready)
- **Rent income** to cover management costs and build reserves

Capital Campaign

- **Member shares (\$1K)** = voting rights + equity
- **Investment shares (\$1K)** = dividends (up to 4%)



Two Years in Moscow

Moscow Community Investment Cooperative — key milestones



Five Key Success Factors

Moscow Community Investment Cooperative

- (1) Social Capital and Shared Vision
- (2) Committed Organizers and Board
- (3) Cooperative Development Support
- (4) Community Engagement and Trust
- (5) Capital Strategy (Purpose and Profit)

It's Morning Again in Moscow...



Ronan, Montana

Center City – Flathead Valley



- Small Rural Town (1,900)
- Flathead Indian Reservation (CSKT)
- Aging and Vacant Main Street Buildings
- Strong Co-op Legacy (750+ Member Brewery, Co-op Farmers Market, Western MT Growers Co-op)



Same Model, Smaller Town

What changes between a town of 25,000 and a town of 1,900

	Moscow, Idaho (25,000)	Ronan, Montana (1,900)
The pressure	Growth: rising rents and outside buyers pricing out local businesses	Vacancy: aging buildings in a thin market where properties sit for years
The assets	University town, deep volunteer bench, 300 pledges from one round of sessions	Tribe, city, bank, two brokerages, and the Chamber all at the steering table
The path	Raise capital first (\$4M target), then shop for rent -ready property	Research specific buildings while forming; cost and condition set the capital target
The constraint	Legal form: Idaho statute forced organizing under Minnesota law	Volunteer time; Montana share -sale rules still being answered with counsel
What transfers	Structure, documents, and process: steering committee, working groups, community agreement, articles, bylaws, pitch materials, workbooks	

In a small town, institutional buy -in substitutes for sheer numbers, and the building you can actually get sets the number you have to raise.

Getting Started in Ronan

Ronan Real Estate Co-op (In Formation)

- **Organizing Meetings:** 40+ stakeholders, two sessions (Jan. 2026)
- **Steering Committee:** Bank, realtors, Chamber, Tribes, City
- **Working Groups:** Governance, business development, outreach
- **Property First:** Researching buildings while drafting the charter



*Steering Committee Meeting
at Mission West, 2026*

Ronan's Path to a Purchase

Six phases, adopted July 2026 — most can run alongside the property search

1 Foundation

1–2 mo

Mission, vision, values; community agreement; working groups

2 Legal Form

3–4 mo

Entity form under Montana law; articles, bylaws, member agreement; how shares may be sold

3 Business Plan

3–4 mo

Share types and price, capital target, pro forma, debt or all cash

4 Pledge Campaign

2–3 mo

Pitch packet, pledge card, website, information sessions

5 Incorporate

1–2 mo

File with the state; adopt bylaws; elect the first board; EIN, bank, insurance

6 Campaign & Purchase

set by target

Convert pledges to dollars; letter of intent, due diligence, financing, close

Phases 2 and 3 run in parallel. Property research feeds Phase 3 directly: cost and condition set the number.

Could This Work in Your Town?

Applying the Model in Small Towns

Start with the Building or Devoted Team: A property or mission people already care about

Keep the Ask Accessible: Modest member share, investment shares on top to supplement

Institutions at the Table: Electric co -ops, banks, cities, tribes, EDCs

Pledge Before Incorporating: Find out whether the money is there

Guard Volunteer Time: Borrowed templates, clear owners, facilitation, co -op developers!

Create a Thriving Co-op Community

Own it together.
Share the benefits.

Taylor Lennox

Taylor.lennox@missionwestcdp.org

www.missionwestcdp.org



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