THE HARVEY C. RUSSELL JR. INSTITUTE
for International Business & Strategic Coalitions

RUSSELL INSTITUTE WORKING PAPER NO. 5 · THE INCLUSIVE CAPITALISM SERIES

The Host Community Exchange

A marketplace for data center site selection

A marketplace with rules, transparency, and a place to transact, where organized communities and data center developers meet on standard terms and do business: the readiness kit, the five functions of the venue, who pays and who never does, how it is capitalized and governed, and why every party does better once the venue exists. This working paper is offered as a companion to Working Paper No. 3, Community Revenue Participation.

Loren R. Douglass
Founder & CEO, Harvey C. Russell Jr. Institute · Member, Maryland Economic Council
loren.douglass@therussellinstitute.org

Prepared for discussion · Figures illustrative · A design, not a prospectus · Version 1.2 · Companion to Working Paper No. 3, Community Revenue Participation

Suggested citation: Douglass, Loren R. *The Host Community Exchange: A Marketplace for Data Center Site Selection.* Russell Institute Working Paper No. 5, The Inclusive Capitalism Series. Harmonia Media Group, November 2026. therussellinstitute.org · Published by Harmonia Media Group. © 2026 Vanguard Management Strategies LLC. All rights reserved.

New in version 1.2. Two further classes of member are added, in the section on who pays: the companies that rent computing by the hour, which join as developer members when they build and as members when they lease, and the lenders and credit funds that subscribe to the record. The membership discussion was prompted by reporting in early November 2026 on how these companies are financed. **New in version 1.1.** The paper now opens with the author's foreword and a one-page brief, in the form of Working Paper No. 3; the prose has been brought into the plainer voice of the Institute's public writing; the institution is named a host community exchange and described as a marketplace with rules; sections added on how such a venue is capitalized, on the fund that listing carries with it, on the owner's own practice as a member, on the regulatory lines the design stays inside, and on other kinds of projects and the business after the build; transparency and the venue as the place of transaction made explicit; eight figures drawn to the house standard.

The Argument

A foreword by the author. What follows this page is the design, stated carefully. This page is what I believe. Working Paper No. 3 described how one campus and one community could reach an agreement that gives the community a lasting stake in the project. Since it went out, I have spent time with the developers, the lenders, the site selectors, and the county people who would have to live with it, and I have come away convinced of two things. The first is that the instrument works. The second is that one campus at a time is not going to be enough.

Here is why. Every time a developer and a county sit down, they start from nothing. The county has no entity that can sign, no idea what the last county received, and no one on its side who has done this before. The developer has no counterparty, no standard paper, and a clock that costs more every month than any payment to the community would. Both sides improvise, and the result is either a fight or a check. Neither side is served, and the next county learns nothing from it.

The people on the other three sides of this industry do not have that problem. The tenants, the landlords, and the investors each have an address, a standard form, a set of lawyers, and a record of the last twenty deals. The community is the only party at the table that has none of those things. I think that is the whole problem, and I think it has an old and ordinary answer. Markets that keep starting from nothing eventually build an exchange: a venue with rules, where the parties agree in advance on what is traded and on what terms; a transparent one, where everyone sees the same listings and the same record; and a place to transact, where the agreement is actually signed, so that someone can keep the standards for who may list and the record of what the last one paid.

This paper describes what that exchange would look like for data center site selection. Communities would list their readiness, developers would list their sites, and the venue would admit both to listing, hold the one contract everyone signs, keep a panel of fiduciaries, match the two sides on fit and timing, and record every agreement. It would be paid by developers and would take nothing from the community's share. That last point is not a pricing choice. It is the rule that makes the rest of it trustworthy.

I should say plainly that I have founded a company to operate a venue of this kind. The Institute is independent of that company and is paid by no party to any transaction. The standard and the readiness kit described here are meant to be published free. I have written the design down so that it can be tested and argued with, which is the only way a design gets better.

> *A payment compensates a community for hosting. A stake makes it a partner. An exchange is what lets the partnership be made more than once, better, cheaper, and faster.*

The Exchange in Brief

A data center campus has four parties, and three of them have a place of business. The community where the campus will stand does not. It has no office, no number, and usually no entity that can sign. It shows up, when it shows up at all, as a crowd at a hearing, after most of the terms are set. The value is created in the county, and everyone who captures it is somewhere else.

This paper proposes a marketplace with rules, transparency, and a place to transact, to fix that. A community organizes before any developer appears, using a kit of six documents that the venue supplies at no cost, and lists what it will accept and what it will not sell. A developer lists a site, a timeline, and a tenant. The venue admits both to listing against published standards, holds the standard Revenue Participation Agreement from Working Paper No. 3, keeps a panel of trustees and administrators who serve community trusts at capped fees, matches counties to sites on fit and timing rather than price, and records every agreement so the next can be priced off the last.

Who pays. Developers, through an annual membership and a fee on each agreement signed through the venue, sized to the campus and owed by the project entity. The companies that rent computing by the hour join as developer members when they build and as members when they lease. Lenders and credit funds subscribe to the record. Communities pay a nominal membership and nothing else.

Who never pays. The community's participation stream runs from the campus to the community's own trust and is divided under the trust's own bylaws. The venue is not on that line, and its governing documents say it cannot be.

What stays with members. The standard and the kit are public and free. The roster of organized counties, the panel of fiduciaries, the listing standards, and the record build up with use and are open to members.

How it is capitalized. Founding developers and capital platforms prepay several years of membership and commit to route their agreements through the venue; their stake vests if they bring the listings they committed to. The founding owner keeps the majority and the manager's seat. A set-aside from the venue's earnings, taken before owners are paid, goes to the fund described below.

The fund. A share of the venue's earnings, set aside before owners are paid, goes to the wider work of inclusive capitalism through a for-profit fund: grants, investments, and advocacy. Not to the listing counties, which are already paid through the one percent.

Other kinds of projects, and after the build. The roster built for data centers serves every large project that lands on a county; after the build, the venue earns from servicing the agreements and from the record itself, which has no cycle.

What keeps it legal. The venue is designed to stay outside securities and brokerage regulation: the agreement traded is a commercial contract, and the venue never trades interests in a participation stream. The standard is a default set by an independent body, not an agreement among developers, and any party may vary it in a disclosed rider. The venue holds no one's money. Each of these is a design intention to be confirmed by counsel's opinion and by review in each state, not a settled conclusion. And the venue certifies no one: a county certifies itself, its own counsel opines on its authority, and the venue admits it to listing against published standards, so a listing is not a warranty and the venue's liability is capped.

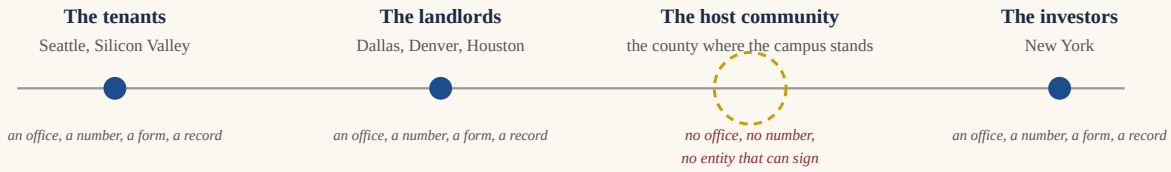
What keeps it trusted. The standard sits outside the venue, with a nonprofit body. The venue holds no position in any campus, vehicle, or trust. The fiduciaries answer to the trusts, not the venue. The facilitator who runs an engagement is independent of both sides and of the venue's owner. A market-conduct committee with an independent chair governs listing, delisting, conflicts, and complaints. And if the venue's owner also runs an advisory practice that developers hire, that practice is a member like any other, never a facilitator: equal access, published matching, an information wall, and disclosure up front.

The only tier with no headquarters

A data center campus involves four parties, and three of them have a physical place of business. The tenants, the companies whose servers fill the buildings, are largely on the Pacific coast. The landlords who build and own the campuses are mostly based in Dallas, Denver, and Houston. The investors who fund the campuses tend to be in New York. Each of them can be found, called, and contracted with. Each has lawyers who have done this before, a standard form, and a record of the last twenty deals. A newer kind of tenant, the companies that rent computing by the hour and sometimes build their own campuses, sits between the landlords and the tenants; it too has an address, and when it builds, it needs the county's approval like any landlord.

Four parties, three addresses

FIGURE 1 · THE PROBLEM



Value is created in the county. Every party that captures it stands somewhere else.

Tenants, landlords, and investors can each be found, called, and contracted with. The community cannot, so it is the one party with no price and no counterparty.

The fourth party is the county where the campus is going to be built, and it has none of that. There is no office, no phone number, and usually no entity that can sign an agreement. The community shows up, if it shows up at all, as a crowd at a public hearing, weighing in after most of the terms have already been set, through whoever happens to be in the room that night.

The consequences run both ways. Because the community has no price, it gets whatever the benefits agreement offers, and that offer is usually calibrated to what will pass a vote rather than to the value the campus creates. Because the developer has no counterparty, every approval starts from scratch, with months of uncertainty that cost

more in carrying capital than any payment to the community would. Industry reporting over the past two years describes developers approaching a dozen communities to find one that will say yes, and site selectors now put community acceptance beside power as the first thing they screen for.

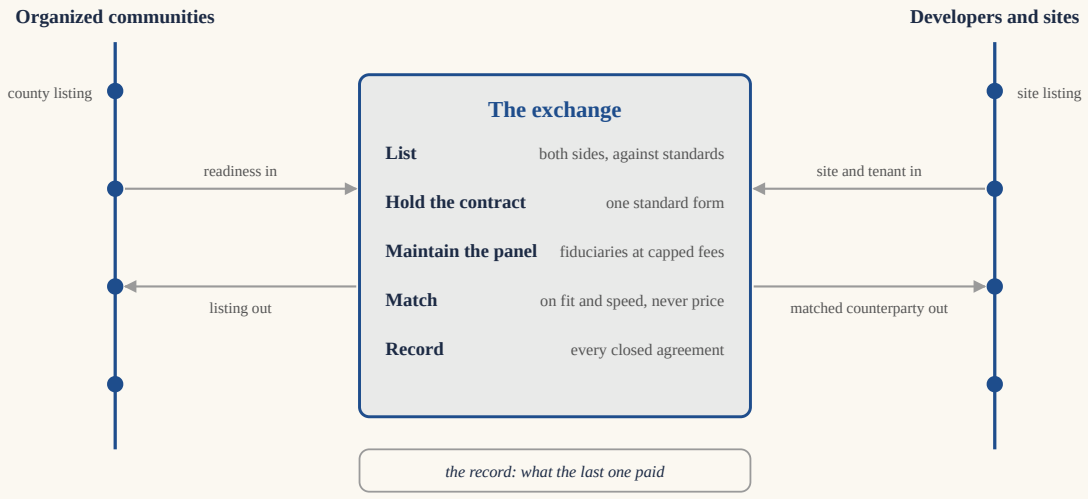
So the value is created in the county, and everyone who captures it is somewhere else. That is the Law of Institutional Asymmetry at work: value tends to accrue to whoever stands closest to where it is created, and institutions are what fix the distance. An exchange is the institution that can fix it here. It gives the community the one thing the other three parties already have, a headquarters, and then builds a market around it.

What an exchange is, and what this one is not

An exchange is three things at once: a venue with rules, a place where everyone can see the same information, and a place where the business actually gets done. The members agree ahead of time on what is traded, in what form, under what contract, and with what disclosure. What is listed is visible to every member on the same terms; the standard, the fee schedule, the matching criteria, and the record of past agreements are all in the open, so nobody is trading on something the other side can't see. And the agreement is signed through the venue, on its paper, not around it: the venue is where the deal closes, which is what lets it decide who may list, hold the contract, and keep the record. The venue doesn't own what is traded and doesn't take a position in it. It gets paid for the venue, not for the outcome.

Rules, transparency, and a place to transact

FIGURE 2 · THE VENUE



Communities list readiness on one side, developers list sites on the other. Every member sees the same listings, the same terms, and the same record; the agreement is signed through the venue, not around it; the venue owns nothing that is traded.

A host community exchange would trade one thing: a Revenue Participation Agreement between a campus owner and a Community Revenue Vehicle, on standard terms, signed through the venue. Everything else it does is there to make that one contract safe to sign and visible once it is.

It is worth saying what this venue would not be.

It wouldn't be an auction. Communities don't bid against each other for a campus, and developers don't bid against each other for a county. The participation band is set by the standard, and the match is made on fit and timing. An auction would reward the community willing to accept the least.

It wouldn't be an administrator. The venue doesn't hold the community's money, run its trust, or pay its dividends. Those are the trust's own functions, carried out by fiduciaries drawn from the venue's panel under the trust's own bylaws. The venue admits the fiduciary to its panel; it never becomes one.

It wouldn't be a lobbyist, or paid representation. It doesn't appear at hearings for either side, and it doesn't carry a developer's case to a county or a county's case to a developer. The facilitator who runs a given engagement is the owner of the process, not an advocate, and never the person who absorbs the heat of a public meeting.

It wouldn't be the standard. The standard is published by a body outside the market, free, and owned by no one. An exchange puts it into practice. A community can form on the standard without ever listing, and a developer can sign the standard contract without ever joining. What they can't get anywhere else is the listed counterparty and the record.

What each side brings: readiness and certainty

Every market has something each side wants and the other side has. Here the community brings readiness, and the developer brings what certainty is worth.

Communities bring readiness. What a community brings to the table isn't land, which the developer already has or can buy, and it isn't power, which the utility controls. It brings an organized counterparty: a formed vehicle with a board, bylaws, and counsel, and a stated set of terms and limits, worked out before any developer arrives. That is worth a great deal, because the vehicle can sign and be held to what it signed. It is worth being exact about what it is not. A community vehicle binds itself; it does not bind the zoning board, extinguish a neighbor's objection, or waive anyone's right to be heard. The venue sells no approval and guarantees no one's consent. What it offers a developer is a county that has already decided what it will accept, which makes the approval far more predictable than a hearing, not certain.

A community lists before any developer shows up. It arrives organized, using the kit described below, and says what it will accept and what it won't sell. It pays a nominal membership. It never pays out of the participation stream, for the same reason a seller doesn't pay the buyer's broker.

Developers are the buyers. What a developer wants from a community isn't the lowest payment. It's a counterparty that can sign, terms that don't have to be invented, and an approval that doesn't slip. Speed is capital cost: a campus delayed by a year carries hundreds of millions of dollars in idle commitments. Certainty is the thing

no amount of money buys at a hearing, because a hearing can always be reopened.

A developer joins the venue, pays a real membership, and sees which counties are organized and on what terms. When it signs a Revenue Participation Agreement through the venue, it pays a deal fee. In return it gets the standard contract, a listed counterparty, fiduciary oversight of the community's side, and months taken off the approval.

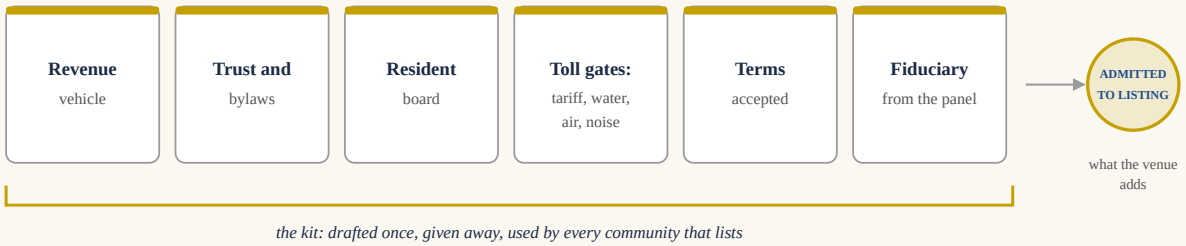
The side with capital funds the venue. The side that organizes pays a nominal membership and nothing else, and never anything out of what it is paid.

The readiness kit: what a community arrives with

A community can't list what it hasn't formed. The kit is the set of documents that lets a county go from a crowd to a counterparty in weeks rather than years. It should be published free by the standards body, so that any community can form on it whether or not it ever lists. Here is what is in it.

From a crowd to a counterparty

FIGURE 3 · THE KIT



Six documents turn a county into a party that can sign. The paper is free; the listing is what the venue adds, and the county's own certification and counsel's opinion are what stand behind it.

1. **The Community Revenue Vehicle**, ready to form. A single-purpose entity that receives the participation payments and holds them for the trust. The formation documents are complete except for the county's name and the signatures.
2. **The community trust instrument and bylaws**, with the dividend floor built in. The trust owns the vehicle. Its bylaws fix how each year's receipts are divided, with a default of 60 percent to households, 25 percent to community projects, 10 percent to a reserve, and 5 percent to administration, and they keep the board from lowering the household share below the floor without a resident vote.
3. **The resident board**, with staggered terms. Elected from the households inside the defined area; no developer, county official, or fiduciary may sit on it. The terms are staggered so that no single election can capture the board.

4. **The toll gates**, defined and not for sale. These are the matters the community reserves no matter what it is paid: the electricity tariff it will accept, the water drawn, air emissions, and noise at the fence line. They are stated in the listing so that no developer spends time on a site whose limits it can't meet.
5. **The participation band, accepted.** The community states that it will sign at the standard's terms: one percent of gross campus revenue for the life of the campus, a signing payment, and a monthly payment during construction, at the levels Working Paper No. 3 sets out, which the standards body should scale by campus size so that a 40-megawatt project and a 400-megawatt campus are not asked for the same signing payment. It doesn't negotiate the number; it negotiates the fit, and anything beyond the standard goes in a rider.
6. **The fiduciary engagement letter**, naming a trustee and an administrator drawn from the venue's panel, with fees capped by the standard.

The kit is drafted once, by counsel, and used by every community that lists. It is given away because the advantage isn't in the paper. Once fifty counties have formed on the same documents, every developer is negotiating against the same paper everywhere it goes, and the standard has become the market's default without anyone having to mandate it.

The kit is free, but forming on it is not. An election has to be run, a lawyer has to give an opinion, and someone has to read the toll gates against the engineering. Who pays for that before a developer has committed is a design question, and the answer matters. It should not be the developer, because a county that organized on the developer's money didn't organize, and it should not be the venue, which is paid by developers. The costs of formation are carried by the community's own institutions and by the civic and philanthropic bodies that stand with it, and they are reimbursed from the signing payment when an agreement closes. A county that forms and never lists has still gained a vehicle, a board, and a stated set of terms, which it keeps. And a county that can find no one to fund its formation is not thereby unsuitable; it may simply be the kind of place the model is for. A readiness fund for such counties, governed separately from the venue so that the money carries no obligation to list, is the right fallback, and a natural first use of the fund described later in this paper.

Five functions: list, contract, panel, match, record

Each of these exists because the market doesn't have it today.

List. The venue publishes standards for who may list and admits parties against them. A community is listed when it certifies, on the standard form, that it has formed its vehicle, adopted its bylaws, seated its board, engaged its fiduciary, and stated its toll gates, and when its own counsel has given the ordinary opinion that it had the authority to do so. A developer is listed when it shows that it controls the site, has a tenant or a credible path to one, and has the balance sheet to make the signing payment. The venue checks the showing against the standard; it does not warrant the party. Listing is yes or no, it is renewed every year, and a party that fails on its side is delisted where every member can see it.

Hold the contract. The venue maintains the standard Revenue Participation Agreement, as the financial article of the community benefits agreement the industry already signs. Members sign that form. Changes to the form itself go through the standards body, with notice to all members. A particular agreement may vary from the form, since a community may ask for more and a developer may offer it, but every variation is written in a disclosed rider, and the agreement is recorded with its rider. Nothing is signed in a side letter.

Maintain the panel. The venue maintains a roster of trustees, administrators, and counsel who have agreed to serve community trusts at capped fees and under the standard's duties. A community chooses from the panel; it doesn't have to go find a fiduciary in a county that has none. The panel answers the question every developer asks first: who, exactly, am I signing with, and who is watching them?

Match. Matching works two ways, because developers arrive two ways. A developer screening several candidate regions sees which counties in each are organized and on what terms, so that readiness enters the site screen beside power and fiber. A developer that already controls a site has one county to deal with, and the venue tells it whether that county is listed, what its toll gates are, and whether the campus can meet them; if the county isn't organized, the kit is how it becomes so. In both cases the algorithm weighs fit and timing. The default terms come from the standard and aren't part of the matching. The venue introduces; it doesn't negotiate.

Record. Every agreement signed through the venue is recorded: the county, the campus size, the terms, the date, the fiduciaries. Every member can see the record, and sees the same record. That is the transparency the market has never had: today, what a county received is a private matter between one developer and one county, and the next county starts blind. A developer entering a new state can see what the last three campuses there agreed to; a community can see that its terms are the terms everyone gets.

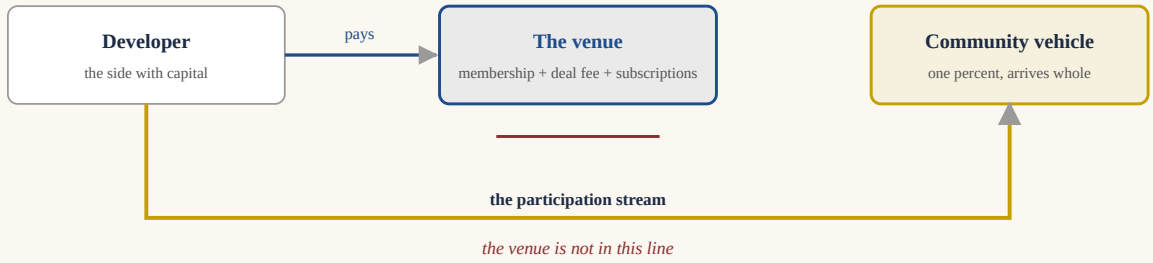
The first of these protects the developer, the third protects the community, and the fifth keeps both from having to start over. Between them sit the second and the fourth, which are what make the venue a place to transact rather than a directory: the contract is signed here, on the standard form, and the match is made here, in the open. Together they make site selection routine.

Who pays the venue, and who never does

The venue has two sources of revenue, two further classes of member, and one prohibition, and the prohibition is the more important design choice.

Who pays the venue, and who never does

FIGURE 4 · WHO PAYS



Paid by the side for whom disorder is expensive. Nothing from the side whose readiness is the product.

Developers pay membership and a fee per signed agreement; neocloud operators join as developers when they build; lenders subscribe to the record. The community's participation stream runs from the campus to the community vehicle and is never touched.

Developer membership. An annual fee for access to the listings, the record, the panel, and the standard contract, priced for institutions. A developer with a national pipeline pays more than a single-site sponsor; a capital platform with several landlords in its portfolio pays at the platform level. Membership is the steady line that pays for the listing process and the panel between agreements.

The deal fee. A fee owed by the developer on each Revenue Participation Agreement signed through the venue, payable when the agreement takes effect. It should be sized to the campus, as a fixed sum scaled by megawatts, so that the venue's interest is in agreements closing rather than in agreements being large. It should be owed by the project entity, be assignable, and survive a sale of the campus, so that it is a contractual obligation rather than a goodwill payment.

Community membership is nominal, charged so that listing is a deliberate act and not a box checked. It covers nothing and isn't a revenue line.

Neocloud members. A newer kind of party sits between the landlords and the tenants: the companies that rent computing by the hour and either lease campuses from the landlords or build their own. When one of them builds, it needs the county's approval like any landlord, and it joins as a developer member on the same terms. When it leases, its rent is the participation base, and it has as much reason as the landlord to want the agreement standard and recorded, so it joins as a member and signs onto the form before any campus is in question. Either way it is a member, not a founder. These companies are financed mostly with debt, raised at a pace the bond market has begun to question, and a venue should not be capitalized by the parties whose own financing is the least certain in the market.

Credit members. The lenders and credit funds that finance the campuses have no agreement to sign through the venue, but they have a use for the record. A campus whose community agreement is on the standard form, with a listed counterparty, a seated board, and a fiduciary, is a cleaner credit than one with a benefits agreement negotiated

at a hearing, and the record tells a lender which is which. Credit members pay a subscription for the record and the listing standards. They don't facilitate, they don't list, and they hold no seat on the market-conduct committee by right; they read. Over time the subscription is the line that grows whether or not the building continues.

The prohibition. The venue takes nothing from the community's participation stream. Not a percentage, not an administration fee, not a share of the endowment's return. The community's one percent arrives at the vehicle whole and is divided by the trust's bylaws, and the venue isn't in that division. This belongs in the governing documents, because the moment a venue is paid out of the seller's proceeds, it has a reason to want the seller to settle for less.

How such a venue is capitalized, and who owns it

Before a price can be put on the venue, it is worth being exact about what it adds.

It brings order to a disorderly market. Today every campus is negotiated from scratch, in a county that has never done it, against terms no one has seen before, on a timeline no one controls. The venue replaces that with rules everyone has agreed to in advance, listings everyone can see, and a place where the agreement is actually signed.

It creates counterparties where there were none. A county that wants a data center is, on the day the developer arrives, a crowd at a hearing. The kit turns that crowd into an organized party with a vehicle, a board, a fiduciary, and stated limits, and the listing tells a developer that the standards were met. The developer is no longer negotiating with a room; it is negotiating with an institution that can sign.

It standardizes what can be standardized. The contract, the trust, the bylaws, the fee caps, the toll-gate form, and the record are the same in every county. What stays open to negotiation is what should be open: the toll gates themselves, and anything either side wants beyond the default. Standardizing the rest produces predictability, speed, and lower cost for both sides.

It is where the relationships are made. A place to transact is more than a closing table. Under Working Paper No. 3 every campus runs through a facilitated process, and the venue is where that process lives: the standing place where a developer and a county meet before anything is signed, work through the toll gates with an independent facilitator who owns the process rather than either side's case, and come to know each other well enough to live together for thirty years. The venue keeps the roster of facilitators; it doesn't run engagements itself, and neither does any adviser paid by one of the parties. A developer that has been through it once knows how the next county will behave, and a county that has been through it once knows what to expect from the next developer. That familiarity cannot be bought one campus at a time.

Those four things, order, counterparties, standard terms, and a place where the relationships are made, are what a developer is paying for. Each removes a cost the developer is already paying.

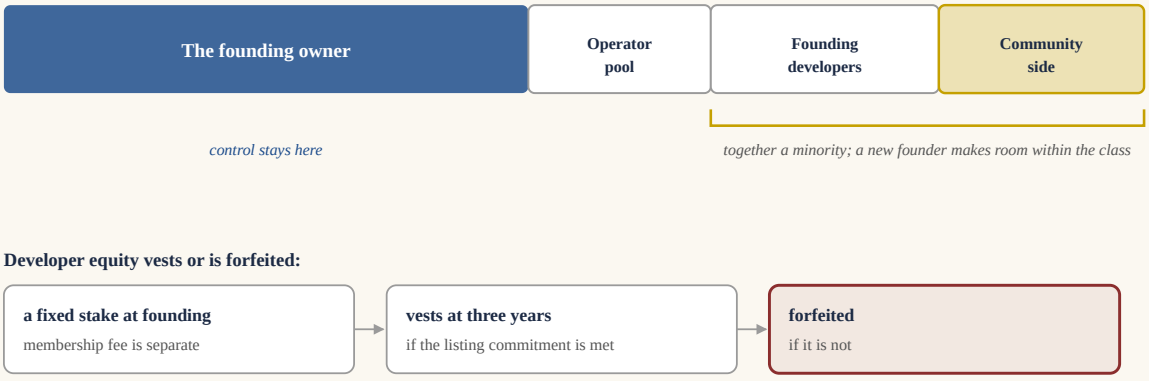
A venue like this should be priced against what it removes, not against what it costs to run. A campus today is a long take-or-pay lease on a few hundred megawatts, billions of dollars of contracted revenue, and several billion dollars of capital waiting on an approval. Every month the approval slips, the capital carries and the revenue

doesn't start. The community's share, at one percent, comes to a few million dollars a year. The carry on the delay is that much every few weeks. The venue sells a process built to cut the risk of that delay, not a guarantee against it, so its fees should be set against the carry, where they are small to the developer and enough for the venue.

Two precedents from the history of exchanges set the pattern. When seats on a trading venue were still bought and sold, a seat where the order flow was could cost seven figures; members paid for the right to trade where the trades were. And the one modern exchange built from nothing by its own users was founded by the dealers and producers who would trade on it, who took their stakes alongside a commitment to bring their business to the venue. The founders weren't investors in the exchange so much as its first liquidity.

Capital from one side, control with the other

FIGURE 5 · OWNERSHIP



Founding members supply the capital; the founding owner keeps the majority and the manager's seat; developer equity vests on a listing commitment and is forfeited if the commitment is missed.

A host community exchange can follow both.

Founding membership is the capital. The first developers and capital platforms join as founding members, prepaying several years of membership at a founding rate and committing to list sites and sign agreements through the venue. A small number of founding platforms can fund the stand-up before any equity is sold.

Ownership in classes, one of which controls. The founding owner holds the majority and manages the venue. An operator pool vests over several years. A founding-developer class holds economics and a shared seat on the market-conduct committee, with no vote on the listing standards or on the standard contract and no single holder above a stated cap. A community-side class, held by civic institutions standing for the counties, holds economics and the community director's seat. The developer and community classes together stay a minority; a new founding developer makes room within its class, not in the controlling share.

Developer equity vests or is forfeited. Founding membership is a prepaid fee, not a purchase of equity. Each founding developer also receives a fixed, modest stake that vests if the developer meets a stated listing commitment over three years and is forfeited if it doesn't. No sliding scale and no shortfall payments. The side that

most needs to bring listings is paid in equity only if it brings them.

The deal fee scales with the campus. A fixed sum per megawatt with a floor, owed by the project entity, assignable, surviving a sale. It comes to a fraction of a point of contracted revenue, or a couple of weeks of what the delay costs the developer. Large enough to be a business, small enough that no developer is going to negotiate it against the months it saves.

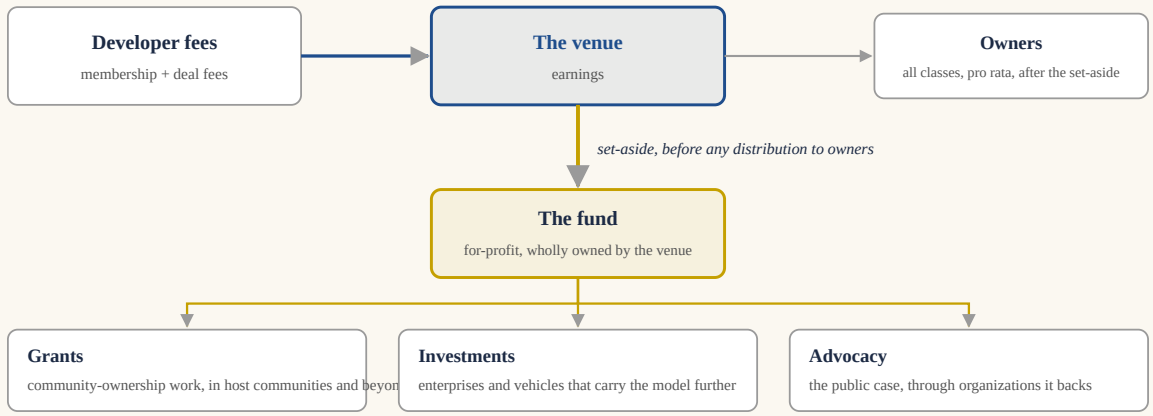
The numbers belong in a prospectus and will change with the first signature. The structure won't: capital from the side with capital, ownership kept by the side that brings the agreements, control with the side that built the venue, and nothing from the side whose readiness is the product.

The fund: where a share of the earnings goes

A venue that earns its living from the host-community problem ought to put some of what it earns back into the larger problem it belongs to. The venue's income is membership, deal fees, and subscriptions to the record. Before any of it is paid to the owners, a share is set aside for the fund. That money is never taken from a community's one percent. And it doesn't go back to the counties that list. They are paid, through the one percent once an agreement performs, for the thing they bring to the market, and paying them twice would turn a membership into a subsidy. It goes to the wider work of inclusive capitalism: ownership in the hands of the people closest to where value is created, in whatever form that takes.

Where a share of the earnings goes

FIGURE 6 · THE FUND



A share of the venue's earnings is set aside before owners are paid and goes to the wider work of inclusive capitalism as grants, investments, and advocacy. Not to the listing counties, which the one percent already pays, and never from any participation stream.

The vehicle for that is a for-profit investment fund wholly owned by the venue, formed on the model of the philanthropic limited liability companies of the last decade. It receives the set-aside share of the venue's earnings and does three things with it: grants to foundations and nonprofit organizations working on community ownership,

in host communities and well beyond them; investments in enterprises and vehicles that return something and that carry the ownership model into other places and other kinds of assets; and advocacy, the public case for predistribution and participation.

The fund isn't a tax-exempt entity and shouldn't try to be one. A private foundation couldn't hold a meaningful stake in a company its founder controls, couldn't transact with that founder's other companies, and couldn't fund advocacy at all. A for-profit fund can do all three, which is why the founders of the largest new philanthropies of the past decade chose the same form.

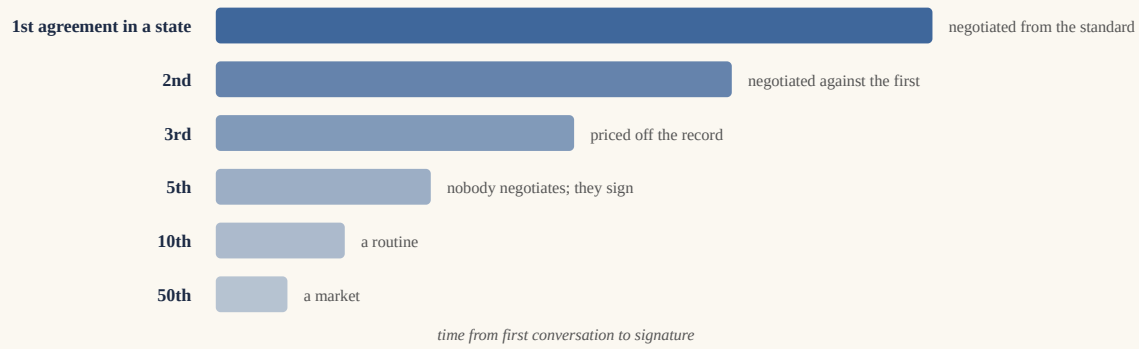
The fund decides which organizations, which projects, which campaigns, and how much. Host communities are among the places it may look, as any other community is, but no listing carries a claim on it. It isn't a party to any agreement signed through the venue, holds no interest in any campus or community vehicle, and takes nothing from any participation stream. Its existence and its mandate are disclosed to every member. The set-aside is taken before owners are paid, so that every owner carries it in proportion. That term belongs in the founding documents, not in a later round.

Why the record compounds

The standard is public and the kit is free, so neither of them is what makes the venue work. What makes it work is four things that build up with use and can't be reproduced by publishing a document.

Every closed agreement shortens the next

FIGURE 7 · THE RECORD



The standard and the kit are public; the record is not. It is what lets a developer price a county before visiting it and a county know what it is owed before the developer arrives.

The roster. Every community that has formed on the kit and listed. Anyone can print the kit; nobody can print fifty organized counties with seated boards. Each listing is months of local work that happened once and is now available to any member developer.

The panel. Fiduciaries who have served community trusts under the standard, at capped fees, with a track record. A trustee who has run three of these is worth more to the fourth community than one who has run none, and the panel is where that experience lives.

The listing. A developer's willingness to sign depends on believing the counterparty is real. A listing earns that belief slowly, agreement by agreement, and the first time a listed community fails on its side, every listing is worth less. So the venue's incentive is to apply its standards carefully.

The record. This is the one that compounds fastest. The first agreement in a state has to be worked out from the standard with nothing to compare it to. The second gets negotiated against the first. By the fifth or sixth there isn't much left to negotiate, and the parties mostly sign. The record lets a developer understand what a county is likely to expect before anyone gets on a plane, and it lets a county know what it is owed before the developer arrives. Every closed agreement makes the next one shorter.

The standard and the kit are given away because they spread the model. The roster, the panel, the listing standards, and the record are what members come for.

Staying on the right side of the rules

A venue that calls itself an exchange invites the question of whether it is regulated like one, so it is worth saying where the lines are and how the design is meant to stay inside them. Everything in this section is a design intention. Whether the design achieves it is a question for securities and antitrust counsel and for review in each state, and those opinions come before the first agreement, not after.

It is designed not to be a securities exchange. The rules that govern stock and derivatives exchanges, alternative trading systems, and broker-dealers apply to venues where securities are traded. What is traded here is meant to be a commercial contract between a campus owner and a community vehicle, closer to a ground lease than to a security; whether it is depends on the rights it actually carries, how transferable it is, and what is arranged around it, which is what counsel must confirm. Matching the parties and charging a fee when the contract is signed is what a commercial broker does, not what a securities broker does, and the fee deserves its own opinion. The design holds only as long as the venue never creates, sells, or trades an interest in a participation stream and never takes a fee tied to raising capital. Those things are kept out of the venue by its governing documents. Lending against a participation stream, if it ever happens, happens in a separate body behind an information wall, with its own counsel.

The standard is a default, not an agreement among buyers. A venue where developers appeared to agree with one another on the price they will pay communities would raise an antitrust question, and an independently published standard helps answer it without settling it. The standard is set by an independent nonprofit through an open process with both sides represented, not by the members. A community may always ask for more than the standard, and a developer may always offer it, in a rider that is disclosed and recorded. The venue matches on fit and timing because the standard supplies a default, not because the parties are barred from negotiating. No member agrees with any other member to hold to it, and the venue's documents forbid it.

It holds no one's money. The participation payments run from the campus to the community's own vehicle and trust. The venue never touches them, which is meant to keep it outside the rules that govern money transmitters and custodians. The fiduciaries on the panel are regulated as trustees under state law; the panel is a roster, not a trust company.

What remains is state by state. A few states define real estate brokerage broadly enough that arranging an agreement tied to a particular parcel could be argued to fall under it, and the venue's counsel in each pilot state should confirm it does not. Beyond that, the venue is an ordinary company providing an ordinary service.

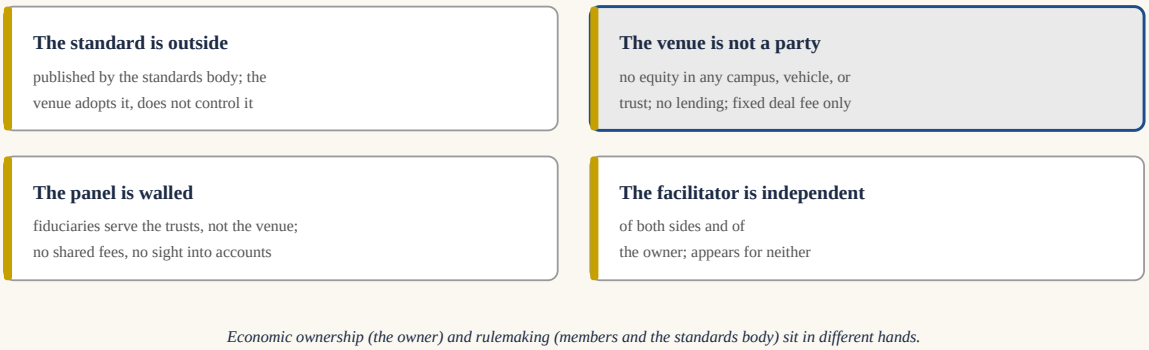
Listing is not a warranty, and the design keeps it from becoming one. A venue that "certified" a county would be making a representation every developer relied on, and the first county whose authority failed or whose board walked would send the developer's lawyer to the venue. So the venue doesn't certify anyone. The county certifies itself, on the standard form, that the process is complete; the county's own counsel gives the ordinary opinion that it had the authority and that the instruments are valid; the venue checks the form against its published listing standards and admits the county to listing, in those words. The membership agreement says that a listing is not a warranty, that every member does its own diligence, and that the venue's liability is capped at the fees it was paid. Behind that sits errors-and-omissions insurance for the operation of the venue, which is affordable for a rules-and-records business and unaffordable for a guarantor. A county that fails on its side is delisted, and the record shows it.

Governance: four separations

A market venue is trusted to the extent that it is seen not to take sides. Four separations do that work.

Trusted because it takes no side

FIGURE 8 · GOVERNANCE



Economic ownership (the owner) and rulemaking (members and the standards body) sit in different hands.

Four separations keep the venue neutral: the standard sits outside it, it holds no position, the fiduciaries answer to the trusts, and the facilitator is independent of both sides and of the owner.

The standard sits outside. The participation band, the model documents, and the duties of fiduciaries and facilitators are published by a standards body that isn't the venue and doesn't profit from any agreement. The venue adopts them and can propose changes through the standards body's process, but it doesn't control them. A

developer who thinks the terms are unfair argues with a nonprofit, not with the venue that earns a fee on the deal. A community that wants more than the standard does the same.

The venue isn't a party. It holds no equity in any campus, vehicle, or trust. It doesn't lend. It takes no success fee beyond the fixed deal fee, and never from the community. A member of its market-conduct committee with an interest in a listed agreement recuses.

The panel is walled off. Fiduciaries on the panel serve the trusts, not the venue. The venue admits them to the panel and can remove them for cause, but it doesn't direct them, doesn't share in their fees, and has no sight into trust accounts beyond the public record. A community's money is the community's.

The facilitator is independent. The engagements that bring a community to listing and a developer to signing are run by a facilitator whose job is sequence, information flow, and the integrity of the process. The facilitator represents neither side, doesn't appear at hearings as either side's agent, and doesn't absorb the public heat that belongs to the parties. No one paid by a party to the engagement may facilitate it, and no one connected to the venue's owner may facilitate an engagement in which the owner's practice advises a party.

The owner has a business of its own, and it gets no edge. The venue's founding owner also runs an advisory practice that developers hire. That practice is a member and an adviser; it is never a facilitator, because an adviser paid by one side cannot be neutral between two. Other members will want to know the practice doesn't see listings first, get better matches, or get listed faster, and it doesn't. Every member sees every listing at the same time. The matching rules and the listing standards are published and applied by the operator, not the owner. The membership agreement says so up front.

Ownership and governance are kept in different hands. Ownership is shared among the founding owner, an operator pool, a founding-developer class, and a community-side class; the founding owner runs the venue. The integrity of the market is governed separately, by a market-conduct committee with an independent chair, drawn from member developers, listed communities, the panel, and the standards body. It governs the listing standards, admission and delisting, conflicts, complaints, and the administration of the standard contract, and the owner cannot overrule it on those matters. Owning the venue and policing the market are separate jobs, and a venue whose owner did both would not be trusted by either side.

From one campus to a market

Working Paper No. 3 showed how one campus and one community reach an agreement. The process works, and it is being tested. Run one campus at a time, though, it has a ceiling: every engagement rediscovers the county, re-forms the entity, re-explains the standard, and renegotiates terms that shouldn't need negotiating. The facilitator becomes the bottleneck, and an industry with hundreds of campuses pending can't wait on a craft.

The venue is that process at scale. Communities form before a developer arrives instead of after. Developers see organized counties before they choose a site instead of discovering the hearing afterward. The contract is signed, not drafted. The record does the work that used to take the first six months of every engagement.

It gets built in the order the money arrives. One state with a few campuses in approval forms its first counties on the kit and records its first agreement. Six listings and one signed agreement is a market in operation, not yet a self-sustaining one; from there the record recruits the next listings on its own. Membership opens to developers when there is a record to sell them, and the venue hires an operator when there is a venue to operate. None of it needs a mandate, a subsidy, or a new agency.

Other kinds of projects, and the business after the build

Nobody knows how many data centers will be built. Some of the people who finance them think the current pace will hold for a decade; some think it is a bubble that is close to turning. A venue built only for the boom would be a poor design either way, so it is worth saying what the exchange does once the first wave of campuses is built, or if the wave breaks early.

The problem the exchange solves isn't a data center problem. Three parties with a headquarters and one without is the shape of every large project that lands on a county: a transmission line, a substation, a generating plant, a battery installation, a solar or wind farm, a water plant, a semiconductor fab, a mine. Each of them is now fought at a hearing for the same reason a campus is, and each would be easier to site if the county already had an entity that could sign, a standard to sign on, and a record of what the last one paid. The kit changes by a few fields from one kind of project to the next; the toll gates for a transmission line are not the toll gates for a campus. The vehicle, the trust, the resident board, the standard contract, the panel, and the record are the same. A roster of organized counties built for data centers is a roster for whatever comes next, and the next thing comes to the counties that are already organized.

After the build, the business moves from the front end to the life of the asset. The first money is in listings and transactions; the lasting money is in everything that happens afterward. Once an agreement is signed there are thirty years of events to handle: the annual renewal of the listing; verification that the participation was paid and on what base; confirmation that the toll gates are being honored, since a county needs someone to check the water draw and the noise reading against what was promised; disputes under the standard contract; renegotiation at each expansion of the campus, which is where most of the value gets added; and the transfer of the agreement when the campus is sold, which is why the deal fee survives a sale. A campus sold three times in twenty years produces three transfer events, each recorded by the venue and each paid for. That is a servicing business, and it has no cycle.

The record becomes a product in its own right. Lenders pricing a participation stream, insurers underwriting a campus, a state deciding where to put infrastructure money, a site selector running the first screen, a developer in a different industry: all of them want to know which counties are organized, what the last agreement paid, how long approval took, and which agreements are performing. None of them need to list anything to want that. The largest exchanges today earn as much from data as from trading. In a downturn, transactions fall and the data gets more valuable, because scarce capital wants certainty more than cheap capital does.

So the answer to "then what" is the one the history of exchanges already gives. The data center wave builds the roster. The roster carries into other kinds of projects. And the revenue moves, over time, from the deal fee toward membership, servicing, and the record, whether the building continues or not.

The principle, restated

The Law of Institutional Asymmetry says that value accrues to whoever stands closest to the point where it is created, and that institutions are what fix the distance. Redistribution sends a share back afterward, across the distance. Predistribution closes the distance before the fact.

Community Revenue Participation closes it for one campus: the one percent arrives at the county because the county is a party to the agreement, not a petitioner after it. The exchange closes it for the market. It moves the community from the back of the hearing room to a seat at the table that exists before the developer arrives, with an address, a counterparty, and a price. Then it stands beside that seat and keeps the record.

Every other party in this industry already had an institution. The investors have their funds, the landlords their real estate trusts, the tenants their procurement offices. The community had a hearing. The exchange is the institution the fourth tier was missing, and it is built on the oldest market idea there is: a venue, a standard, a listed counterparty, and a record of what the last one paid.

Notes and Sources

This paper is the fifth in the Russell Institute's Inclusive Capitalism Series. It extends *Community Revenue Participation: The Process, the Instrument, and the Framework They Belong To* (Russell Institute Working Paper No. 3, October 2026), which sets out the participation band, the Community Revenue Vehicle, the trust and its dividend floor, the toll gates, and the six-stage process for a single campus. Figures in that paper carry the arithmetic; this paper takes the instrument as given.

The Law of Institutional Asymmetry, the principle that value accrues to whoever stands closest to the point where it is created and that institutions fix the distance, is set out in the Institute's working paper of that title and in the author's *The Power Doctrine*.

On the exchange precedents. Seats on the New York Stock Exchange were bought and sold until the exchange's 2006 conversion to a public company; the last seat sales, in late 2005, were reported at about four million dollars. The Intercontinental Exchange was founded in 2000 by a group of energy producers, dealers, and banks who became its founding shareholders and its first trading volume; its early ownership was structured to reward the participants who routed trades through it. The paper draws on the structure of those arrangements, not on their terms.

On community resistance. Reporting through 2025 and 2026 by industry trade publications and by Data Center Watch, a research project that tracks local opposition to data center projects, describes developers approaching many communities to find one that will proceed, and site selection advisers now list community acceptance alongside power availability as a first screen. The specific counts vary by source and are not relied on here.

On the fund. The for-profit philanthropic limited liability company is the form used by several of the largest philanthropies founded in the last decade, including the Chan Zuckerberg Initiative, the Emerson Collective, and the Omidyar Network's for-profit arm. The constraints on private foundations referred to in the text are the excess business holdings and self-dealing rules of the Internal Revenue Code (sections 4943 and 4941) and the prohibition on political and lobbying activity that attaches to private-foundation status.

This paper is a design, not a prospectus or an offer of any kind. It is prepared for discussion. The standard and the readiness kit described in it are intended to be published free of charge by the Institute. The author is the founder of a company organized to operate a venue of the kind described; the Institute is independent of that company and is paid by no party to any transaction.On the neoclouds. The companies that rent graphics-processor computing by the hour, among them CoreWeave, Nebius, Nscale, Lambda, and Crusoe, lease campuses from the landlords and increasingly build their own. The Wall Street Journal, "Money Tree for AI Boom Bears Less Fruit" (November 2, 2026), reports roughly $655 billion of AI-linked debt raised from January 2025 through mid-October 2026, a forecast near $1 trillion for 2027, and a cooling in the market for these companies' bonds and shares. The paper's design does not depend on the figures; it depends on the fact that these companies are tenants and, when they build, landlords, so their rent or its equivalent is the participation base.