



Art by Mike Sullivan.

Their First Rodeo: Why Are DAOs Suddenly Leaping Into Wyoming Real Estate?

Following state passage of pro-crypto laws, distributed autonomous organizations are dropping thousands on wild—and sometimes uninhabitable—tracts of land.



By Margaux MacColl



Share article

Jan. 14, 2022 11:00 AM PST

S hould we buy this town?"

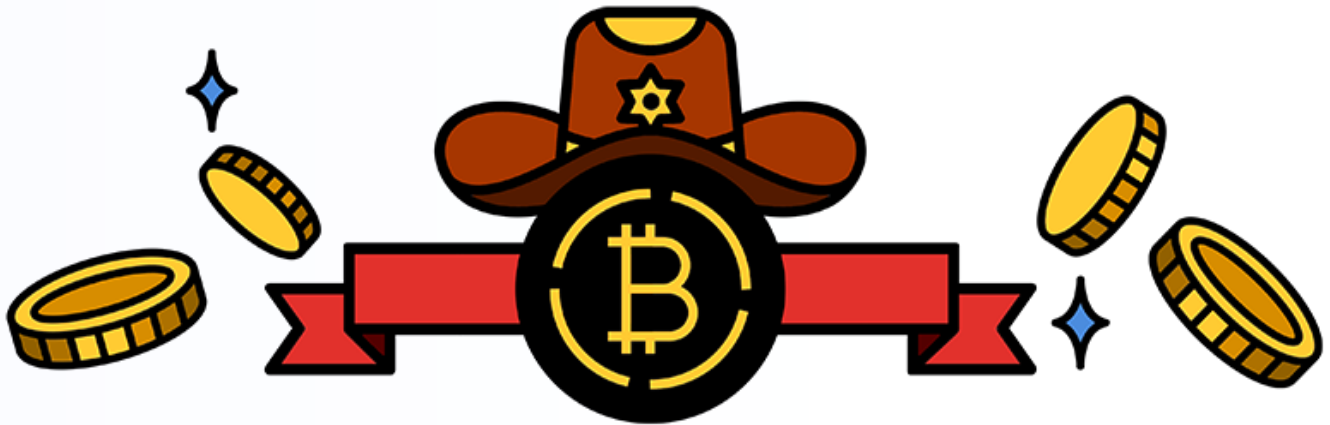
The tweet, accompanied by a link to a Zillow listing for a \$4.7 million abandoned ghost town in Colorado, was almost certainly a joke—but then again, maybe not. The message was posted by @CityDAO, the account representing a 10,000-member distributed autonomous organization that already owns a 40-acre plot near Cody, Wyo. With CityDAO’s mission to “build the future of real estate ownership on chain,” the whole thing—the desire to buy a town, the commitment to scooping up wild land in Wyoming, the whispers of wanting to purchase Kanye



The Information

Since its founding last July, CityDAO has raised \$7 million from its membership, which includes major crypto players such as Coinbase founder **Brian Armstrong and Ethereum creator Vitalik Buterin**. CityDAO is one of the flashier DAO projects to take root in Wyoming, which has fast established itself as the most crypto-friendly state in the union. But it’s not the only collective to zero in on Western real estate. Kitchen Lands DAO LLC, with three members, bought 35 acres in Sheridan, Wyo., for \$25,000, and The Crypto Coalition, a group of members from decentralized venture capital organization Jade Protocol, will potentially buy land in the state as well.

Read More



Weekend Does Wyoming:

A special issue about Silicon Valley's new home on the range.

- [The Beltway's 'Bitcoin Lady': How Wyoming Senator Cynthia Lummis Became Crypto's Most Powerful Champion](#)
- [Their First Rodeo: Why Are DAOs Suddenly Leaping Into Wyoming Real Estate?](#)
- [A Venture Capitalist Found "Cowboy Self-Reliance" in Wilson, Wyoming](#)



[ch-Scene Starter Kit](#)

Read this article in The Information App

Download Now



Beautiful and formidable: A look at “Parcel Zero,” CityDAO's first land purchase.

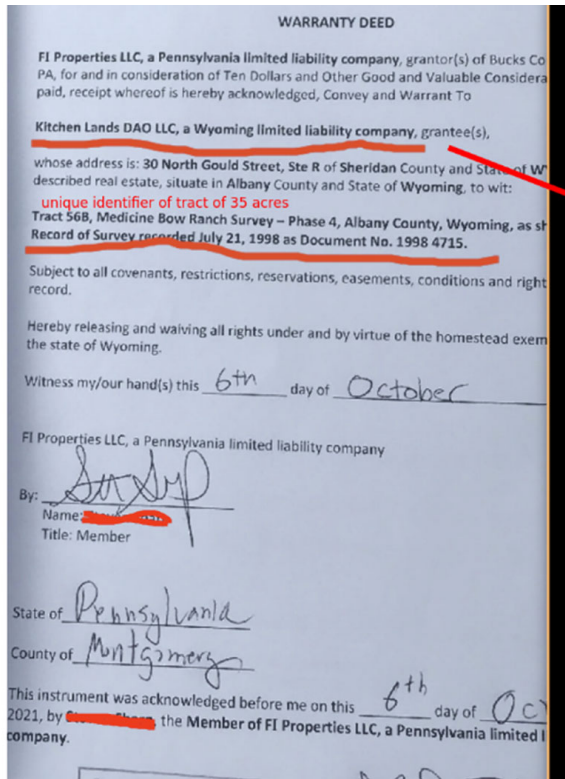
Photo courtesy of Casey Falvey.

Regulation is usually an obstacle for crypto businesses, but Wyoming is not an obstacle-creating kind of place. Since 2017, state legislators have passed laws that paved the way for cryptocurrency banks and created frameworks for digital token sales. Last summer, the Cowboy State became the first to enter the thorny world of DAOs, blockchain-based entities with built-in democratic structures, by enacting a law that allows them to register as LLCs. The law grants members more legal protections and provides guidelines and rules for the often makeshift organizations. Members join by purchasing crypto tokens (or, in CityDAO’s case, non-fungible token art pieces that cost thousands of dollars), and in return receive voting rights in all the group’s activities.

Wyoming’s laissez-faire attitude to crypto and what it signals—a state beckoning invention and cooperation—has, unsurprisingly, made it a hot spot for DAO

activity. Matthew Kaufman, a lawyer at Hathaway & Kunz who helped draft the DAO law, said a flurry of organizations has reached out to his firm, all wanting to utilize the new law in different ways. “I haven’t had a single DAO come to our firm yet that wanted something similar to the next one,” he said, listing projects in “the arts and entertainment space,” “the investment and asset management space,” real estate, gaming and content creation.

Both Kitchen Lands DAO member Max Gravitt and CityDAO “citizen” Justin Kalland described their DAO’s respective purchases as a “proof of concept”—a way to experiment with what it means to own real estate “on chain.” Gravitt said it lets real estate ownership on chain be “highly liquid and global,” allowing him to transfer his tokenized shares of the land easily. “As an individual owner, I can sell that to my neighbor, I can sell it to someone I met online,” he said. “Whereas prior to the DAO LLC legislation, that would have been very difficult because [Wyoming] don’t recognize blockchain as ownership.” For CityDAO, it’s also an experiment in mass governance, in how to distribute and manage real estate among thousands of co-owners.



Decentralized Autonomous Organization Limited Liability Company Articles of Organization

- I. The name of the decentralized autonomous organization limited liability company is: Kitchen Lands DAO LLC
- II. The name and physical address of the registered agent of the decentralized autonomous organization limited liability company is:
Registered Agents Inc.
30 N Gould St Ste R
Sheridan, WY 82801
- III. The mailing address of the decentralized autonomous organization limited liability company is:
30 N. Gould St Ste R
Sheridan, WY 82801
- IV. The principal office address of the decentralized autonomous organization limited liability company is:
30 N. Gould St Ste R
Sheridan, WY 82801
- V. The organizer of the decentralized autonomous organization is:
Telos Kitchen DAO LLC
30 N. Gould St, Ste R, Sheridan, WY 82801
- VI. Additional Article:
Kitchen Lands DAO LLC is a decentralized autonomous organization.
The smart contract is deployed to the Telos blockchain.
Telos Website: <https://telos.net>
ChainID: 4667b205c6838ef701f798816e8257e8be0e1284a2f59699c04101014031011
Smart Contract (operating agreement) Deployment: [landdao.tk](https://telos.bloks.io/account/landdao.tk)
Smart Contract web-link: <https://telos.bloks.io/account/landdao.tk> landdao.tk holds contract code Wyoming = "code is law" state
Source code repo: <https://github.com/teloskitchen/land-dao>
Restrictions on Duties and Transfers appears in the smart contract operating agreement



Kitchen Lands DAO's application to be recognized as an LLC by the state of Wyoming.

Neither group currently has plans to relocate to Wyoming. “We may never actually live on that property, of course, but we wanted to, you know, explore how it can be done,” Gravitt said of their stretch of green in Sheridan. Similarly, CityDAO’s 40-acre “Parcel Zero” near Cody is “wild and inhospitable,” said member Casey Falvey, littered with rattlesnakes and battered by not-infrequent 100-mph winds. But its citizens—all 10,000 of them—are already dreaming about what to do with the land. (Kalland describes CityDAO as a “leaderful organization,” as opposed to a decentralized leaderless one.)

So far, proposals range from a weather tower to hosting an international DAO festival. The one thing they probably don’t want to get stuck on is creating an actual city on the property, in spite of their DAO’s name. Kalland, for one, thinks of CityDAO as more of an aspirational title, denoting a group of global citizens connected by both virtual and scattered physical spaces. “[People] get this idea

that we want to build a city like in the desert,” he said. But in the future, he said, “cities won’t exist in one physical location; there’ll be network cities that can exist over wide areas.”

Other CityDAO members are raring to use their considerable resources for ambitious physical structures. Buying Kanye West’s ranch (currently listed at \$11 million) has come up more than once; some want to buy land and drill for oil. Falvey is one of the few members who has actually visited the land, flying into Cody and driving an hour and a half to the tiny unincorporated town of Clark, then descending a “desolate” road into the mountains to arrive at Parcel Zero. His excursion, though captured by a video production team, was low-key: They built a fire in a small cavern and flew a drone to get footage of the property. But the citizens of Clark were less than enthused by their presence. “They are not sure what we’re all about,” Falvey said.



Fire on the mountain: Falvey is one of the few members of CityDAO who has visited the desolate

It's a reality Wyoming's DAO members will have to accept: No matter what they end up buying to enrich their sprawling network city, they will have to deal with the neighbors. Call it the Kanye effect: Falvey said it probably didn't help the cause that the billionaire musician swooped in, tossing out plans for a "Yeezy campus" on the 4,000-acre property, importing celebrity friends for lavish listening parties and then leaving last October without a trace. The locals were, according to Falvey, rightfully irritated by the influx of press and how West "didn't do anything for the community."

CityDAO has provoked similar fears—Kalland said some people interpreted the name literally, imagining a crypto metropolis shattering the peace of their quiet mountain town. In response, Falvey floated ideas of building something the community can utilize, like a weather tower or a park. But his dream will have to pass a group vote.

Both the promise and the peril of DAOs lies in their democratic nature: Whatever its citizens vote on goes, no matter what. For example, in late 2021, when someone asked the famed [ConstitutionDAO in a crowdsourced FAQ](#) what would happen if, say, an individual bought a majority of tokens and voted to burn the U.S. Constitution, a member wrote back, "Sadly a risk but who would be that evil?" Theoretically, if a proposal for a sprawling crypto metropolis were to win, the organization would have to enact it the best it could.




Wide open spaces: Kitchen Lands DAO's 35-acre plot in Sheridan, bought for \$25,000.

Photo courtesy of Max Gravitt.

But unlike real estate in the metaverse, CityDAO's dreams are restricted by laws and permits and local government (even in famously hands-off Wyoming). If the members vote to build something on the land that produces any sort of revenue, Kalland said, they stumble into the "tricky world" of securities laws. While their LLC designation theoretically protects them, some of the proposals for CityDAO's fortune are ambitious, and as the DAO is challenged to actually build out its "city," members will often find themselves in uncharted territory. "How is that actually gonna play out?" Kalland asks. "Nobody really knows. Like, it's just a lot of good faith right now."

There are other unanswered questions: For instance, what happens if a DAO gets sued by a neighbor or another business? How protected are its members in reality? CityDAO is among the first to push the boundaries of Wyoming's law, and while

fortune may favor the brave, being a pioneer also carries significant risk. “We’re the man breaching the door,” said CityDAO member Aaron Nevins, “and, you know, potentially, we could get shot.” 

Margaux MacColl is a reporter for The Information, covering tech culture. Previously, she was a startups/venture capital reporter for Business Insider.

Subscriber Comments



Arthur P. Johnson

I kinda don't get it. As a frequent visitor to Cody and the beautiful Wapiti Valley, I would own land West of Cody in a heartbeat, if I could. But east of Cody —no offense to the fine citizens of Clark—is hundreds upon hundreds of square miles of high desert basin, populated mostly by rattlers and pronghorns. The one big attraction, I guess, is the availability of water from the reservoir West of Cody. But man, that descriptions of 100mph winds is spot on, and they're not infrequent. Clark, I love you, but I don't get buying 40 acres of rattlesnake pasture.

Like · **Reply** · **Report** · about 15 hours ago



Max Gravitt

Not you? [Log Out](#)

Want to edit your profile? [Edit Profile](#)

[POST NEW COMMENT](#)

Recent Articles

- 1. Founder Philip Rosedale on His Return to Second Life, the Metaverse and Meta's Missteps
- 2. So You're Moving to Wyoming—Here's Your Tech-Scene Starter Kit
- 3. A New Way to Value FTX, Kraken; Another Ex-Regulator Joins a Crypto VC Firm
- 4. The Beltway's 'Bitcoin Lady': How Wyoming Senator Cynthia Lummis Became Crypto's Most Powerful Champion

[ORG CHARTS](#) [ABOUT](#) [VIDEO](#) [EVENTS](#)



© 2013-2022 The Information. All Rights Reserved.

[TERMS](#) · [PRIVACY](#) · [PAYMENT POLICY](#) · [HELP & SUPPORT](#) · [RSS FEED](#) · [TIPS](#) · [CAREERS](#)