

**Table 1. Governance matrix as a detailed discussion and comparison tool**

Key: read through the categories in Column A and read entries in Rows

Description	Public		Private, Share-Based	Private, Membership-Based	Tribal	
Category			Non-Profit	For-Profit	(Needs additional detail)	
Legal Entity	Municipal	County	Corporation	Corporation	Partnership	
Hybrid or Subsidiary			Limited Liability Corporation (LLC)			
Charter Document	Articles of Incorporation (and/or Town or County Charter)			Certificate of Formation	Treaties	
Governance Documents	Bylaws and Ordinances (public and transparent)		Bylaws (not publicly available except to directors and members)		Operating Agreement (not public)	
Purpose and Objectives	Local or regional government - historically formed for the purpose of administering critical public services such as law enforcement, health, and infrastructure.		Charitable, public purpose - often defined as programs in service of education, health, or the environment.	Any purpose. Objective of maximizing shareholder value - typically financial profits.	Any purpose. Objective of providing limitations on personal liability for member-owners.	Establish, regulate, and enforce laws within their boundaries.
Characteristics	Governance structures common in the Pacific Northwest include the 1. Council/Manager form of government, 2. Mayor/Council, and 3. Commission.	Forms include 1.the Commission Form (Plural Executive) and 2. the Home Rule Charter.	Non-profit 501(c)3 organizations can be incorporated with or without members, but must meet IRS tests of public benefit to maintain tax-exempt, charitable status.	Incorporating as a business (C-corp, S-Corp, or B-Corp) conveys all the advantages of corporate personhood - the ability to enter into contracts, manage finances, and shield owners from liability.	Partnerships are often formed to deliver professional services in certified or accredited fields. Investment managers often form General or Limited Partnerships.	Sovereign (Domestic/Dependent) Nations
Subsidiary or Hybrid Structures	Option 1. City council is elected by the public, oversees the general administration, makes policy, and sets budget. Council appoints a professional city manager to carry out day-to-day administrative operations.	Option 1. Under the commission form, the county governing body consists of a three-member board of commissioners, elected on a partisan basis, who serve as the county's legislative body and also perform executive functions. Counties with populations greater than 300,000 can increase the size of the commission from three to five members	A non-profit can form a subsidiary for-profit or LLC to carry out business activities, or choose to partner with a private entity.	A limited liability company (LLC) is a hybrid corporate structure that combines the characteristics of a corporation with those of a partnership or sole proprietorship.[1] Another option might be the choice of a Benefit Corporations (B-Corps), which recognize social and environmental objectives.		Ability to carry out restoration treatments on adjacent public lands through the Tribal Forest Protection Act
Board Oversight and Responsibilities, Management Accountability and Authority	Option 2. Mayor is elected separately from the council, is often full-time and paid, with significant administrative and budgetary authority. Option 3. Voters elect individual commissioners with specified duties to a small governing board. [1] Codes, ordinances, and regulations promulgated at the local government level.	Option 2. counties [are free] to adopt "home rule" charters to provide their own form of government [1]	Non-profits are generally governed by a Board of Directors accountable to the public for accomplishing the mission of the organization and its charitable purpose. The Executive function is often carried out by an Executive Director (ED) or President, who manages program staff and receives delegated authority for routine organizational decisions. New programs, budgets, and expenditures are voted on by the Board of Directors.	For-profits are generally governed by a Board of Directors who make strategic decisions and delegate day-to-day authority to the Chief Executive Officer, Chief Financial Officer and other 'C-Suite' executives. The structure of business divisions, departments, and programs varies by company.	Formation of a Partnership formalizes the working relationship of multiple previously independent professionals, who must now establish rules governing responsibilities, accountability, and authority. Partnerships and LLCs (see below) can be managed either by owners (owner-manager) or by a hired professional (manager-run).	Many forestry departments operate under the jurisdiction of the Tribal Division of Natural Resources
Property Ownership	Ownership of land is one of the primary rights and responsibilities delegated to local government by the State Legislature. Public ownership of land comes with many rules and regulations, ordinances and statutes that regulate citizen access and permissible use of resources.		Typically, an entity will choose to form a subsidiary LLC or a Trust to hold fee title ownership or easements on land. An LLC can hold property, which may add additional liability, accounting or reporting costs to a parent organization, and is preferred for tax reasons compared to ownership through a for-profit corporation. Trusts, which are a formal and legally binding recognition of fiduciary duty between a trustee and beneficiary - are often used by organizations to accumulate land and/or easements. Conservation "land trusts" are often incorporated as non-profits to hold conservation			Tribes can purchase land in fee title and hold property outside the boundaries of a reservation without any encumbrances specific to Tribal trust.
Tax Status	Tax-exempt. Town or county forests may wish to make payments in lieu of taxes on timber harvests or find other mechanisms to ensure cost recovery for delivery of public services. Various town departments such as Parks may have little interest in the additional liability of managing land unless voters approve an additional property tax to help pay for operations and management costs		Tax-exempt, subject to approval by the IRS. Donations to the organization may be tax-deductible. Unrelated business taxable income (UBTI) can become problematic. Nonprofit status time-intensive to maintain.	Taxable. Subject to corporate tax on profits. Cannot receive charitable contributions and grants. Expensive accounting and reporting requirements.	Taxable. Simplest administration. LLCs can elect to be treated as a partnership to enjoy pass-through taxation to their members. The LLC can also elect to be treated as an association separate from its parent entity.	Tax-exempt (nontaxable; outside Federal tax jurisdiction). Can receive charitable contributions and grants. Can participate in partnerships with taxable entities without endangering eligibility for receiving tax credits.

<p>Examples</p>	<ul style="list-style-type: none"> <li>• The City of Arcata has a Council-Manager form of government, wherein Council in turn elects a Mayor and Vice-Mayor, and appoints a City Manager.</li> <li>• Special state-level legislation enabled the town of Randolph to “assign the management of any town forest established by the Town to any board, commission or other management body, or any combination or division of such bodies, as the Town may vote to designate or establish.”</li> </ul>	<ul style="list-style-type: none"> <li>• Hood River County has a home-rule Charter adopted in 1964 and most recently amended in 2006. The County manages more than 34,000 acres through its Forestry Office.</li> </ul>	<ul style="list-style-type: none"> <li>• The Downeast Lakes Land Trust is a corporation with no members, governed by its board of directors with both annual and special meetings.</li> <li>• The Blackfoot Community Conservation Area (BCCA) was conceived in partnership between the Blackfoot Challenge and The Nature Conservancy. The BCCA Board of Directors retained the authority to approve the management plan, annual budget and workplan, membership of the council, and other administrative tasks.</li> <li>• The Nisqually Community Forest emerged from a discussion convened by the Nisqually Land Trust, the Nisqually Indian Tribe, the Nisqually River Foundation, and the Northwest Natural Resource Group. The Nisqually Community Forest Board of Directors was created in 2014 and the organization was incorporated as a 501(c)3 nonprofit in 2015.</li> <li>• No known community forests utilize a for-profit C-corp structure.</li> </ul>	<ul style="list-style-type: none"> <li>• Little Hogback (LLC) in Vermont has 16 membership interests (shares), which entitle owners to access and use rights. Little Hogback was initially set up as a manager-run company, with a provision for investors/owners to vote on whether to change to owner-managed structure after two years of operation. Powers of the manager include a full set of financial and legal actions.</li> </ul>	<ul style="list-style-type: none"> <li>• Kalispel Tribes</li> <li>• Colville Tribes</li> <li>• Additional examples needed</li> </ul>
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Community Participation in Decision Making	Lobbying elected officials; attending public meetings; participating in committees. Participate in the public comment process; influence state budget appropriations through engagement with state legislators; enjoy the access and benefits of the forest resource according to state rules and procedures. Engage with management and budget committees; run for city council; volunteer for stewardship activities; access the forest according to the management plan	Nomination to the Board; participation in committees; donations to capital campaigns; community committees; share access according to the stewardship plan.	Purchase of shares; lobbying or campaigns directed at shareholders. Invest in shares of the corporation in order to become a member-owner; owners elect their directors and managers; share in the financial profits	Only through membership, but the founding members of an LLC might include a parent nonprofit or public company.	Through Tribal membership; recognition as an economic stakeholder in forest management activities.
Committee Structure and Reporting Guidelines	A municipality's existing governance structures, such as Council meetings, budgeting, and reporting to the public, form the overarching framework for forest management. A specialized Forest Management Committee can report to the Town Manager, directly to Town Council, or other body of elected officials.	County Commissioners. County Charter outlines procedures and policies for voting, transparency, and governance. States like California have broader and more complete legislative control over counties than town governments, with broad revenue generating authority residing with municipal government.	Good corporate governance and board engagement can look very similar across nonprofit and for-profit corporations - with the exception that stakeholder groups and incentives for action are not necessarily comparable. An organization's existing board will have the authority to nominate the board of its subsidiary.  Nonprofits may choose many forms of committees, such as internal working groups for board members, public committees to deliberate on forest management planning, and other committees such as coordination on policy issues.	The LLC's Operating Agreement should lay out working groups, decision making structure, and reporting guidelines.	
Cash Flows and Fiscal Management	Many town forests have elected to set aside revenues from timber sales in a separate fund dedicated to operations and stewardship.	Revenues often directed into the county general fund for use in supporting public schools, roads, and other public services.	Revenues usually only cover a portion of the cost of delivery, with an additional subsidy in the form of government or foundation grants. If the organization has earned income, it should consult a tax attorney regarding IRS review of Unrelated Business Taxable Income (UBTI). Harvest of timber may be tax exempt to the extent that it directly supports conservation.	Officers can decide whether to re-invest retained earnings in the business, or to distribute dividends to shareholders. Unless a corporation is privately held, the pressure is for officers to pay dividends and maintain a high degree of debt (leverage) to maintain payments to shareholders.	An LLC is run like a business, with distributions and dividends declared by managers depending on the financial situation.
Loans and Ability to Carry Debt	Tax-exempt bonding authority in their local jurisdiction. Entities are often highly rated by agencies such as Moody's and therefore have access to very low interest rates.	Difficult to secure a loan without significant assets or balance sheet. Some non-profits are able to secure a loan in the form of a program related investment (PRI) from a foundation.	Market-rate interest on loans. Secured by the assets and cash flows of the company. Strict underwriting criteria apply.	A foundation may grant a low interest loan to an organization whose forest management plan includes earned income from timber harvest.	Can borrow, lease, and purchase assets.
Examples	<ul style="list-style-type: none"> <li>The City of Arcata Community Forest is owned by the municipal government and managed by the Forest Management Committee, which reviews timber harvest plans for conformance with the goals of the Forest Management Plan, Monitoring Plan and Recreation Plans. [2]</li> <li>The Randolph Town Forest rules have provisions to prevent over-representation by individuals holding other town offices. The authority of the Forest Commission includes activities under the management plan, engaging a professional forester, to draft management plans and budgets, and to make contracts consistent with the management plan. Forest Commission members include one from the Planning Board, one appointed by the Conservation Commission, and three by the Selectmen.</li> <li>City of Arcata, Forest Management is a sub-activity under the City's Activity Budgets, with one of the goals being timely timber harvest to support the forest fund. The City manages multiple funds, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The Forest Fund is a special revenue fund with the restrictions that "When timber is harvested, the revenues are accumulated for future forest needs."</li> <li>The Randolph Town Forest Planning Board has authority over management plans, budgets and appropriations from the revolving fund, resolution of disputes, and enactment of regulations such as conservation easements.</li> <li>The Hood River County Commissioners retain authority over the Forestry Department, which manages the Hood River County Forest according to its management plan, the Oregon Forest Practices Act, and the American Tree Farm System. The forest has a professional manager.</li> <li>Hood River County's Forestry Department is directed to provide "optimum revenue for the residents of Hood River County." Revenues go into the County's general fund, providing up to 40% of the County's annual budget.</li> </ul>	<ul style="list-style-type: none"> <li>The BCCA Council was appointed by the Blackfoot Challenge Board of Directors in 2005, includes fifteen members of agencies owning land within or adjacent to the area, private landowners, recreational user groups, local businesses and commercial outfitters, and administers and manages the land. A Management Committee, comprised of the Chair, vice-Chair, and one agency member, provides day-to-day oversight of the land Steward and annual workplan activities. Votes of the council require an 80% approval for passage of decisions. A part-time land Steward (by contract or partnership) coordinates and implements on-the-ground projects specified in the annual workplan.</li> <li>BCCA Public participation in the planning process included a public meeting, mailed survey, committees, work groups, one-on-one discussions, and a semi-annual newsletter and website updates. Three subcommittees have been formed, including 1) forestry; 2) grazing/noxious Weeds; and 3) recreation/education, to complete preliminary work on given tasks and develop recommendations for full Council consideration."</li> </ul>	<ul style="list-style-type: none"> <li>The Little Hogback Community Forest was formed with the input of Vermont Family Forests (non-profit), the Vermont Land Trust, and consultation with local community members. The shares entitle investors/members to the rights to the land, but not a separately delineated portion of the land.</li> <li>Revenues from the Little Hogback forest first accrue to the Management Reserve Fund, and may be distributed after ten years. Management costs are divided among the shares.</li> </ul>		

Access and Rights to the Forest Resource	Public benefit required by law, but access not necessarily mandated			Moderate - Depends on Corporate Charter and Forest Management Plan	
Community participation in management decisions					
Values and Benefit Sharing for Economic Development					
Permanent conservation protections	Management plan, conservation easement, and participation in certification such as FSC, American Tree Farm (only private landowners), or other recognized management protocols.				
Easements	Land Trust (or State/Federal Agency if Federal Forest Legacy Funds received for acquisition)				
Financial Transparency	High - full transparency of budgets and expenditures required by law		Moderate - IRS form 990 (tax returns) required to be filed publicly	Lowest - financial reports only required for publicly traded companies	
Benefit Sharing	Public benefit required by law			Moderate - Depends on Corporate Charter and Forest Management Plan	
Discussion	Municipal ownership enables an existing town to manage forestland alongside its other assets such as parks and recreation, water treatment plants, and transportation infrastructure. Depending on the region, town or county governments may have greater resources and responsibilities.	Many counties historically controlled forestland. For example, the Hood River County Community Forest is owned by the county and managed for public purpose.	The non-profit land trust model is widely used across the West to hold easements on high conservation value land.		
Links					
References	[1] <a href="http://www.nlc.org/forms-of-municipal-government">http://www.nlc.org/forms-of-municipal-government</a> [2] <a href="http://www.cityofarcata.org/">http://www.cityofarcata.org/</a>	[1] <a href="http://mrsc.org/Home/Explore-Topics/Governance/Forms-of-Government-and-Organization/County-Forms-of-Government.aspx">http://mrsc.org/Home/Explore-Topics/Governance/Forms-of-Government-and-Organization/County-Forms-of-Government.aspx</a>	[1] <a href="http://www.investopedia.com/terms/l/land-trust.asp">http://www.investopedia.com/terms/l/land-trust.asp</a>	[1] <a href="http://www.investopedia.com/terms/l/lc.asp">http://www.investopedia.com/terms/l/lc.asp</a>	