

Possible Management Zone Organizational Structures

Title and Description

Pros

Cons

Special Commission or Task Force Established by an Existing Entity

This is a common method to organize special or ad-hoc efforts of an area or entity. The committee structure in some organizations may work, or a task force named by County Supervisors, a specific organization set forth by the highest level governments in the group.

Highly varied and specialized in nature. This type can be customized and brought together quickly. It can also be dissolved quickly, if support falters. The chartering or sponsoring organization can quickly and usually efficiently institute such a task force. Additionally other parties can be brought into the efforts by an advisory or blue ribbon committee of experts, industry or community leaders. These efforts have been successful and some over many years.

If the convening group is not benevolent others may not participate. Governance can be complicated by the less standard structure. The entity can not itself hold contracts staff, except by and through its parent organizations. Control of the group typically oscillates with interest and can take on different missions over time. Funding maybe more difficult depending on who pays and who receives or holds the funds.

Unincorporated or MOU Based Group

This is one of the most flexible forms or assembling parties of varying types and purposed to work together. This group can also be formed as an alliance or coalition. Usually best if a single purpose or limited duration mission.

Fairly easy to assemble and document because participation and funding are totally voluntary. Governance is by unanimous consent or acclamation and essentially anyone can stop any effort. No legal standing to sue or be sued and liability falls to all groups participating.

Because it is not an entity, it can not easily transact business, funding or hire staff etc. The governance or lack there of can be a problem if underlying trust is not established or controversial issues are encountered. The MOU may be as difficult to establish as a more binding agreement or charter.

California Mutual Benefit Non-Profit Corporation or Association

This association is similar to a trade association or industry group in areas of interest to its members without commercial for profit or political activities IRS section 501-C6. Examples are some Chambers of Commerce, Economic Partnerships and industry associations.

Settled customizable governance and board requirements established in law, this form is familiar to both business, local government agencies and cities. If all cities and organizations were members it would have most of the capacity of a public benefit corporation.

Contributions to this association are generally business expenses, but not personally deductible like charitable contributions. Purposes are generally to benefit its members.

California Public Benefit Non-profit Corporation or Foundation

This foundation allows tax exempt efforts in the areas of charity, religious literary, scientific, and education IRS section 501-C3 tax exempt. Examples are the Silicon Valley Joint Venture, many non-profit environmental and charitable organizations.

Effective governance as required in the Bylaws and articles. Tax Exempt contributions can be made and other foundations, significant capacity to assist and educate the general public or specific communities.

Generally does not have significant government members and some grants are not available to such entities. This type must maintain efforts according to it Bylaws and does not frequently develop infrastructure.

California for Profit Corporation

Standard California Corporation with the rights and responsibilities of any Corporation under the code.

Simple well understood governance, voting and other procedures. Able to maintain focus on board priorities. Members/stockholders can actively vote with their contributions on issues. Has the opportunity to build funding and equity for the corporation and for the stockholders within its business purposes. The corporate structure provides audit and other assurances and the board oversight of the operations could provide streamlined efforts and comfort for other business and corporate members.

Some Public Agencies and non-profit foundations may not be comfortable with the Corporate structure. Grants to for profit corporations may be more difficult.

Chartered Organization

This entity is a special act district or corporation that is chartered for a specific purpose such as the Corporation for Public Broadcasting, Federal Home Loan Mortgage Corporation, Amtrak, as well as Redevelopment Districts, Special Districts and Conservancies. The chartering entity must have the authority to charter and empower the entity. This could be federal or California legislature, The governor, board of supervisors or other group.

The broad powers and ability to incorporate government, corporate and public entities and advisor members are robust. The governance structure is variable, but can be selected from Corporate to Governmental or potentially a hybrid. Significant benefits can come from these unions of interests and powers and may be useful for a green economic zone.

There are some disadvantages to this type of entity. It requires an act of a legislative body capable of creating it, the higher or more powerful the chartering entity, the more difficult to get it established. Political interests at the higher level may dominate the entity. Some will dislike another layer of government being created and or fear regulatory standing. Any change must be approved by the chartering entity.

Joint Powers Authority

A JPA is the Joint exercise of Powers that are held in common by municipal or other government entities in California

Allows the coordinated powers of government to be exercised and managed by an entity. Governance is variable and can be customized. Powers can include borrowing, collecting fees, taxing, condemnation, police powers, etc., providing such powers are established in the members of the JPA.

No membership option for non-government organizations, except as advisory. Some object to additional or shadow government type entities. Member are usually appointed rather than directly elected.