

January 3, 2011

Dear Board and Sangha members,

The Inter-Sangha Coordinating Committee (ISCC) is pleased to present this report to the Boards and sangha members of Sacramento Buddhist Meditation Group, Sacramento Insight Meditation, and Valley Streams Zen Sangha. In the months since we began meeting, we have become increasingly hopeful that a shared Sacramento Dharma Center dedicated to providing a sanctuary for meditation practice and teaching is a real possibility. The Committee envisions the following steps being taken over the next 6 months. Milestone dates are underlined for emphasis:

1. Preliminary approval/support: The ISSC requests that the boards of each founding sangha review this report and approve its distribution to its sangha at-large. To aid the boards in their review, the committee proposes a joint presentation to the three boards on Friday, Feb. 4 and recommends approval to distribute the report by March 1.

2. Discussion forum: The ISSC would hold a public inter-sangha forum to discuss our process and findings, at a time to be determined, but not later than March 31st.

3. Assessing support: By April 1st, the ISSC would release a survey to determine the depth of support for the vision and implementation steps recommended in the report. Included in the survey would be questions aimed to assess potential level of financial support for the Dharma center's operation. The survey would be distributed and results compiled by April 30th.

4. Final approval: Assuming the survey results indicate sufficient potential support for the Dharma center's creation and operation, the three boards would give final approval to the feasibility report (including any amendments or additions that may be agreed on during the review and discussion process). Each board would then appoint three representatives to the initial board for a new Dharma Center. This new board would carry out the remaining recommendations in this report and the Inter-Sangha Coordinating Committee would cease to exist. We recommend that the decision to appoint the initial Dharma Center board be made by June 30th.

In spirit,

Jerry Simkins
Susan Orr
Richard Howard
Jim Hare
Linda Dekker
Jim Brown

I. Introduction and Summary of Recommendations

A good place to build

As the Buddha was walking with the congregation, he pointed to the ground with his finger and said, "This spot is good to build a sanctuary."

Indra, Emperor of the gods, took a blade of grass, stuck it in the ground and said, "The sanctuary is built."

The Buddha smiled.

from The Book of Serenity (collected Zen stories)

This report presents a vision for creating a sanctuary dedicated to supporting meditation-focused Buddhism in Sacramento. Such a place would sustain the ongoing activities of the Sacramento Buddhist Meditation Group, Valley Streams Zen Sangha (formerly Iron Bell Zendo), and Sacramento Insight Meditation, and possibly other Buddhist groups.

A sanctuary shared by these groups would help resolve this central challenge: Each currently conducts its practice and community activities in facilities rented for several hours at a time, but without any control over the facility schedule or calendar. These conditions complicate and limit how these groups operate, what activities and programs they offer to their respective communities, and how they respond to new and changing needs.

The shared facility envisioned by this report would serve as a home for all three founding sanghas and a sanctuary for providing teachings, classes and retreats. A shared facility would also create opportunities to support practice by a diversity of communities not currently being served by the three founding sanghas. A hall devoted solely to meditation and teachings and graced with a permanent altar would offer the possibility for daily sittings open to the public.

Working together

Earlier this year the three founding sanghas agreed to explore the feasibility of sharing a location. In April 2010 the boards of the three sanghas created the Inter-Sangha Coordinating Committee and each board assigned two representatives to the committee: Jim Brown and Susan Orr representing SBMG, Rich Howard and Jerry Simkins representing SIM, and Linda Dekker and Jim Hare representing Valley Streams. The committee has been guided by agreements meant to ensure consensus and transparency and support the honesty and integrity of each committee member.

Early in its process, the committee developed a set of practical questions ([Attachment 1](#)) to be answered in subsequent discussions. In the course of its work, the committee recognized that some of these questions are most appropriately left to the board of a new Dharma Center.

The committee has met monthly since April 2010, with two subcommittees also meeting 4-5 times each, to make recommendations in four broad areas:

- Organizational and legal framework
- Physical space needs
- Scheduling and management
- Budget and financial plan

The committee and its members gathered information and sought advice from a number of experts, including a commercial realtor, a commercial property owner, an attorney with expertise in nonprofit organizations, a bookkeeper, an insurance broker, a dharma teacher who founded his own center, two architects, a nonprofit administration contractor, a synagogue administrator and a nonprofit fundraiser.

In July 2010 the committee also visited the Sky Creek Dharma Center in Chico, Calif., which is shared by five small groups from various Buddhist traditions. The committee toured the center and met with several board members who described the center's founding, organization and ongoing operations. The visit to Sky Creek helped the committee clarify its purpose and guide some of its decisions about an organizational framework to implement the vision.

The committee also devoted considerable effort to drafting a mission statement as a way to guide its work:

“The Dharma Center maintains a sanctuary for Buddhist meditation and teachings with the intention of benefitting the Sacramento community.”

Summary of recommendations

- Create a new support nonprofit to fund and manage the new Dharma Center
- Appoint an initial board for the new nonprofit, with members appointed by each founding sangha.
- In scheduling the use of shared space, give priority to the needs of the founding sanghas.
- Establish a conflict resolution policy
- Retain a Dharma Center manager to oversee day-to-day operations
- Establish a policy for renting the Dharma Center to non-affiliated groups
- Establish a default set-up for the meditation hall, so it is always ready for use
- Install a permanent altar
- Meet the challenge of higher costs through pledged donations and long-term investments
- Set budgets and fundraising goals to meet both operational costs and tenant improvement needs.
- Consider the alternatives of either leasing or purchasing a building

The committee offers these recommendations on the basis of these understandings:

- The three founding sanghas will maintain their existing organizational structures and programs.

- A shared center as defined in this report will only be established when there is adequate financial support for its operation.
- Final responsibility for establishing and operating a new Dharma Center will rest with the board of a new organization incorporated for that purpose. The recommendations in this report are meant to support that board's efforts, not limit its responsibility or authority.
- The recommendations in this report are a response to the current needs of the three founding sanghas. The committee also recognizes the changing nature of conditions that shape these needs. Nothing about this report is intended to imply that change is undesirable or should not be anticipated, welcomed and embraced.

II. Organization and Legal Framework

Form of the Organization/Non profit Status

We recommend creating a new tax-exempt nonprofit organization to fund, lease, and manage the new Dharma Center. The new nonprofit would be a "support" nonprofit to the participating sanghas. A support nonprofit can be thought of as a foundation upon which the member sanghas can build. A principle that will guide formation of the new nonprofit is that each of the founding sanghas will retain its existing organizational structure and nonprofit identity.

Support nonprofits are recognized entities under the U.S. tax code. For example, Sky Creek Dharma Center in Chico has received tax-exempt status as an "association of churches," and this is despite the fact that none its member sanghas are themselves incorporated. Other forms of incorporating a support nonprofit are also recognized. The final form of the support nonprofit should be further researched and verified prior to incorporation and filing with the IRS for tax-exempt status.

The support nonprofit may be organized on a membership or non-membership basis. Many nonprofit advisors counsel use of the non-membership form as the easiest to administer. Attorney John Meissner suggested that we might use the membership form, with the individual sanghas (as represented by their boards) as the only members. We leave the final decision on the issue of membership vs. non-membership nonprofit status to the Dharma Center Board.

Board Commitment, Composition and Terms

The successful formation and operation of a support nonprofit will be dependent on board member commitment. We assume all board members will be nominated and appointed based on their desire to deliver on the promise of the mission statement. In addition, consideration should be given to board candidates with specialized knowledge and/or expertise in leadership, community relations, fundraising, organizational development, and budgeting. The individual board member's aspiration to live in harmony with Buddha's teaching will encourage everyone.

We recommend that the Dharma Center Board have nine members: two appointed by each of the founding sanghas, plus three at-large. Each founding sangha would nominate and appoint one at-large member to the initial board. The Dharma Center Board would nominate and appoint subsequent at-large members.

To enhance board stability and preservation of institutional knowledge, we recommend the adoption of staggered board member terms, based on a stabilized term length of three years. Staggered terms can be initiated if each Sangha assigns a one-year, two-year, or three year term to each of its first three appointed Board members. If this method is adopted, only three board members' terms will expire each year. We do not recommend a limit on the number of terms an individual can serve, so any board member could put him/herself forward for re-nomination at the end of his/her term.

Board Authority and Functions

We foresee that the Dharma Center Board will undertake the following tasks in formulating its work plan: naming the Dharma Center; adopting By-Laws and Articles of Incorporation; filing for tax-exempt status; creating protocols and priorities for scheduling and rental; adopting a conflict resolution policy; hiring a Dharma Center manager and any other persons paid to do work for the Dharma Center, and drafting and overseeing the budget.

Naming the Dharma Center

The committee consensus is that the last two words in the name should be “Dharma Center.” If Sacramento is not in the name, we recommend that it be added to the text of the mission statement. Beyond that, we leave the naming decision to the Dharma Center Board.

III. Physical Space

Location parameters of the building search

Historically, the three sanghas have been located in the “greater central city” which includes Midtown, East Sacramento, Land Park and Curtis Park. These neighborhoods will likely be the target of the location search, with the possible addition of the Alkali Flat and Oak Park neighborhoods. If this process reaches the point of a Sangha-wide survey, we recommend including questions regarding location preferences, in order to further refine and guide the location search.

Building Size and Layout

Our research in this area has included:

- Review of the “Statement of Problems and Needs” prepared by SBMG’s space investigation committee in 2007-08. We found its description of physical space needs holds up well, and have used it as the basis for our recommendations, with some additions and modifications (Attachment 2 – Physical attributes of a new dharma center).
- Visit with members of the Board of the Sky Creek Dharma Center in Chico to discuss the operation and management a multi-sangha shared non-residential retreat Dharma Center located in a former single-family residence.
- Measurement and graphic representation of the four rented spaces currently used

either as a weekly meeting venue or weekend retreat space (B'nai Israel, Friends Meeting Hall, Yoga Solution, and United Church of Christ Sierra Arden community building).

- Pro-bono engagement with architect Mike Malinowski who responded to our request to draw several concepts for model floor plans for a future meditation Dharma Center and consultation with architect Peter Saucerman, who provided a basic formula for space size calculation.

If this process moves to the stage of a building search, we recommend a target of approximately 4200 square feet (approximate size of the United Church of Christ Sierra Arden community building where SBMG has held many day long retreats). The building could be configured to include a reception area, community/meeting space, meditation hall, kitchen, bathrooms, teacher interview room, storage space and library. Optionally, it could also include a small studio apartment to house visiting teachers. Note that these drawings ([Attachment 3](#)) were created with no particular space in mind, but rather to show how the various space needs could be juxtaposed within four walls. The drawings also show that each sangha's typical set-up can be accommodated in a single shared space.

No site plan, including grounds and parking has been considered. We assume that the Dharma Center will need to provide sufficient parking to meet applicable City permitting requirements.

IV. Scheduling and Management

Use of the Dharma Center

The founding sanghas will have priority use of the Dharma Center. The Dharma Center Board will commit to each founding sangha the space and time necessary to carry out its current schedule of events, including its weekly meeting, retreats and meditation classes. We recommend cooperation among the sanghas to facilitate an orderly scheduling of meditation classes. Other meetings and events will be reviewed and approved by the Dharma Center Board, with a balance of use and space availability kept in mind.

Scheduling the Dharma Center

Consistency with the mission statement will be a key criterion for initiation of all activities at the Dharma Center.

The founding sanghas will continue to schedule their own weekly evenings and retreats. This includes making hosting and travel plans for teachers. SIM will continue to have the last Saturday of the month for retreats. SBMG and Valley Streams will continue their current policy of communication to avoid scheduling retreats on the same weekend.

Each Sangha will be responsible for posting its schedule to a master calendar to be maintained online and in printed form at the Dharma Center. A master calendar showing the three sanghas' current schedule is shown as [Attachment 4](#).

If a founding Sangha wishes to begin a new ongoing program, they will verify that the day and time is available, and then submit a written request and program description to the Dharma Center Board's contact person(s) for scheduling. The Board would make the final decision based balance of use and space availability. For this and other scheduling issues, we recommend that the Board develop a decision-making protocol and additional scheduling priorities as needed.

We recommend that the Dharma Center be open to other Buddhist groups who want to schedule ongoing activities, as space is available, after the needs of the founding Sanghas are met. For incidental events and programs, the Dharma Center Board could create a prioritized list of pre-approved activities, organizations or group events.

Conflict Resolution

Sharing a Dharma Center among three groups raises the possibility that conflicts in scheduling and other matters could arise. Dharma Center Board members may at times experience divided loyalty between the Dharma Center's needs and their home sangha's needs. Therefore, we recommend that the Board adopt a conflict resolution policy that incorporates use of disinterested parties or other skillful means of resolving disputes or conflicts.

Management

We recommend that a Dharma Center Manager position be created to oversee day-to-day operations. The manager's duties could include some or all of the following: posting the Dharma Center's calendar, general maintenance, cleaning, showing the space, phone & mail, maintaining supplies, sound system, garden maintenance, interacting with the landlord on building maintenance issues, securing Dharma Center Dana, and maintaining communication with the Board. A full job description will be needed.

We leave to the future decision of the Dharma Center's Board whether the Manager would be a paid employee or contractor. A modestly funded line item for the position has been included in the draft budget. The actual allocation for the manager position will be dependent on the job description and approved budget.

To assure disinterested financial oversight, we recommend hiring a professional bookkeeper and/or nonprofit administrator from outside the sanghas. Other organizational and operational tasks may be performed by Board members or qualified volunteers, with general oversight by the Dharma Center Board.

Rental Policy

Renting the Dharma Center to non-affiliated groups or for classes is not projected to be a major source of income, but could increase the financial viability of the Center. The committee is agreed that a primary guiding principal should be consistency of any use with the mission of the Dharma Center.

The committee leaves further development of a rental policy to the founding Board. Our recommendation is to open the Dharma Center with the programs offered by the three founding Sanghas, and expand slowly to include other compatible programs and uses.

Set up and cleaning

Two general principals were discussed:

1. The Dharma Center has to work for all three Sanghas.
2. The Dharma Center has to work for the most formal and the least formal practice forms.

We recommend a default set-up for the meditation hall, to be determined dependent on the configuration of the space. Each sangha would restore the meditation hall to the default at the end of its program. Zafus and zabutons could be stored in the meditation hall, probably

stacked in piles against a wall. Individual Sanghas may choose to use other furnishings specific to their practice (e.g., portable low wall dividers for the Zen sangha).

Each group would be responsible for leaving the meditation hall clean and ready for the next event. A set of cleaning protocols would be adopted for each Sangha to follow after they hold a sitting or other event at the Dharma Center.

We recommend the installation of a permanent altar that meets the needs of all Sanghas. We discussed the preference of the Zen Sangha to have the altar placed out from, not against, a wall, so walking meditation can occur behind the altar. This is another issue that will necessarily be resolved with respect to an actual site.

We recommend that a “temple committee” be created to take responsibility for maintenance of the altar.

It was noted that the Zen Sangha burns incense on the altar as a regular part of its practice. The impact of incense burning on chemically sensitive individuals is a concern to be dealt with in the design of heating and air conditioning filtration systems.

We recommend that “whole Dharma Center” cleaning would be done by a combination of professional janitorial service and Sangha volunteers. The Dharma Center Manager would coordinate the volunteer effort. A monthly volunteer cleaning and maintenance service day is recommended. A line item for professional janitorial service is included in the draft budget.

V. Budget Estimate and Financing Plan

Introduction

The founding sanghas have historically kept operating costs low through sub-tenant arrangements with other established nonprofit organizations. Joining forces as a Dharma Center and becoming a primary lessee will carry significantly greater costs. In addition to higher rent, the Dharma Center would incur other building operating costs such as utilities, phone, janitorial services, etc. In addition, it is likely that the Dharma Center would want to undertake significant tenant improvements to make the building most suitable for our weekly programs and weekend retreats.

We believe that the higher costs and responsibilities of becoming a primary tenant will require a new approach to financing operations. The Dana basket approach, while traditional for teacher donations, is not sufficiently reliable to guarantee lease payments and other fixed costs. The budget plan submitted below is predicated on pledges from sanghas and individuals as the primary source of funding operations. Similarly, the approach to raising funds for tenant improvements and start-up costs is predicated on pledged donations and long-term investments from the sanghas and individuals. Other financing options and approaches can be considered as necessary.

If this exploratory process reaches the point of a sangha-wide survey, questions could be included to determine the likelihood of donations and investments reaching a plateau necessary to fulfill the Dharma Center’s minimum operating costs and tenant improvement needs.

The following budget discussion is based on draft operating and tenant improvement budgets included as Attachment 5. These budget scenarios have been created in consultation with a number of knowledgeable sources as mentioned in the introduction to

the report.

Operating Budget

The draft operating budget shows nine different rent/capital cost scenarios to indicate the range of possibilities that may be encountered in a building search. The main variable is rent, which could range from 50 cents per square foot to \$2.50 per square foot, per month. At rents of \$1.75 and above, the assumption is that landlords would offer a “full service” lease, which would include most of the building’s operating expenses. At rents of \$1.50 or less, the assumption is that the Dharma Center/tenant would pay all expenses, include city utilities, energy costs, insurance, building maintenance, etc., in addition to the rent.

To the extent possible, expenses have been verified, either by applying a “rule of thumb” used in the commercial leasing industry or by verification with the source of the expense.

Financing Operations

As shown in the draft budget, annual operating costs could range between \$56,040 and \$134,700 per year, depending primarily on rent as the biggest variable. As mentioned above a sangha-wide survey will help to determine the viability of reaching these numbers. We propose that voluntary monthly or annual pledges would form the “backbone” of financing Dharma Center operations, with total income coming from the following three sources:

- 1) Pledges from individuals
- 2) Pledges from sanghas, to be reviewed internally on an annual basis.
- 3) Rent from non-member groups using the Dharma Center.

We anticipate that pledges by individuals, in the aggregate, would fund the largest share of the operating budget, most probably in the range of 70%-88% of the total budget. Pledges from sanghas would fund 9-22% of the budget. Rent from non-member groups would be an incidental source of income, estimated at 3-7% of the budget.

As noted on the income and expense budget page, the number of pledges (at average \$35 per month or \$420 per year) to reach the budget would range between 95 and 283 individuals.

The committee had preliminary discussions of the benefits associated with pledging, but has nothing conclusive to report at this time. We do recommend that benefits associated with pledging be the same, regardless of the amount pledged.

Tenant Improvements: Making the Building our Own

Since no leased space will be ideally configured for the Dharma Center’s intended use, we assume a budget for tenant improvements (internal walls, plumbing, paint, furniture, etc.) will be required. The amount of tenant improvements will depend on the condition of the building. The draft budget assumes an inverse relationship between rent and the need for tenant improvements; that is, lower rent buildings will likely require more extensive tenant improvements, at correspondingly higher capital costs. Higher rent buildings should be better suited in their “as-is” condition, requiring fewer tenant improvements and cost.

Since major tenant improvements will require professional design, plans, code compliance, and building permits, we recommend that these be handled by a professional architect and contractor. Sangha volunteers could handle minor tenant improvements, such a painting.

Financing Tenant Improvements

As shown in the draft budget, the need for tenant improvements could range from a low of \$58,000 to a high of \$270,000, depending on the condition of the rented building. We propose that the tenant improvement budget be funded by:

1. Capital donations from member Sanghas:
 - One-time donations from member Sanghas to seed the capital campaign.
2. Capital donations from individuals:
 - One-time donations from individuals to grow the capital campaign.
3. Capital investments by individuals:
 - Individuals would make a long-term investment in the Dharma Center and receive a modest return on that investment. Please see discussion in the next section.
4. Fundraising events:
 - No detail on this has yet been discussed.

Investment option to fund tenant improvements

In addition to soliciting gift donations, the Dharma Center could create a “member-investor” vehicle to fund tenant improvements. For example, the Sacramento Natural Foods Co-op recently approved a by-law amendment to allow its members to invest in the Co-op. Member investment will reduce the Co-op’s reliance on bank financing and provide a return to member-investors similar to or better than bank Certificates of Deposits.

An investment vehicle could similarly be created to fund tenant improvements at the Dharma Center, with sangha-member-investors receiving their return from incremental rent paid by the Dharma Center. In other words, the Dharma center’s rent would include two payments – one to the landlord and one to the investor group.

Four scenarios showing 10, 15, 20, or 30 investors contributing \$10,000 each (\$100,000 to \$300,000 total) toward capital needs and start-up costs are shown in the draft budget. In the 30 investor scenario, for instance, return to investors (pegged at 2.5% per annum) would add \$625 per month to the total rent.

Purchase Option

In the most likely and anticipated scenario, the Dharma Center will be a tenant, leasing its space directly from a landlord. We consider it unlikely that sufficient resources will be available to purchase a building. However, in the course of our research, a real estate broker suggested that if a sufficient number of investors stepped forward, the Dharma Center could consider purchasing and renovating a building, as opposed to leasing. We consider this possibility intriguing enough not to rule it out. The draft budget therefore shows three scenarios, with 20, 30, or 35 investors putting up \$30,000 each. The most optimistic scenario (35 investors) would raise \$1,050,000. According to the real estate broker, approximately \$700,000 would be sufficient to purchase a 4000 sq.ft. industrial/commercial building, leaving approximately \$350,000 for tenant improvements and reserves. The return to investors of \$4,375 per month would be equivalent to a rent of \$1.09 per month per square foot.

In any investment scenario, a number of details, such as term of investment, management of investments, and investor's legal form of organization would have to be worked out.

Concluding statement of the Inter-Sangha Coordinating Committee

We the members of the ISCC appreciate the opportunity to have served the sanghas in the capacity of researching and writing this report. In the months since we began meeting we have become increasingly hopeful that a shared Sacramento Buddhist center dedicated to providing a sanctuary for meditation practice and teaching is a real possibility. We look forward to a lively conversation about the recommendations of the report and the next steps that may be taken to realize the vision of a shared Dharma Center.

Jim Brown

Linda Dekker

Jim Hare

Rich Howard

Susan Orr

Jerry Simpkins

See following page for a list of attachments

VI. Summary of Attachments

Attachment 1: Questions for the Committee

Attachment 2: Physical attributes of a new dharma center

Attachment 3: Model Floor Plans (see linked PDF files)

Attachment 4: Master Calendar based on current schedules

Attachment 5: Draft Operating and Capital Improvement Budgets

Questions for Sub-Committee A:
(Linda Dekker, Rich Howard, Susan Orr)
Sharing Agreement, Calendar/Scheduling, Legal Structure

How will the center be scheduled? The charter suggests using the SBMG scheduling committee modus operandi as a model. Is this our recommendation? How would it work? Would the center's scheduling committee replace SBMG's?

How do we address the issue of parity; that is, does each sangha get 1/3 of the time available at the center, or is there some other rationale for allocating the time available at the center?

Will the center have a manager; that is, a person who is paid to handle day-to-day operations? If so, what is the job description? How many hours a week and at what rate? On a contract or employed?

Will groups other than the three sanghas have use of the center? If so, what is the policy regarding "outside" groups using the center?

Different sanghas may want to set up the meditation hall differently. Is there a "default" set-up for the meditation hall? If so, what is it? If a sangha changes the default set-up, are they responsible for returning it to the "default"?

Will there be a permanent altar in the meditation hall? Where in the room would the altar be placed? Who will take care of the altar – keep it clean, provide flowers, incense etc. ? If no permanent altar, will each sangha set-up and take down their own altar?

How will the center be cleaned? Use a janitorial service, hire a caretaker, or by sangha volunteers? What is the cleaning schedule?

Will the meditation hall have voice amplification and recording equipment? If so, who will be responsible for use and maintenance of the system?

The Charter suggests forming a new non-profit organization to fundraise and eventually manage the building. Is this our recommendation? If so, what is the mission statement of this new organization? Will it be a membership or non-membership non-profit? A religious or non-religious corporation? Will member sanghas have seats on the board of directors of this non-profit? (Charter suggests "yes," 2 reps from each sangha). Who else will serve on the board? (Charter suggests three at large members). For what term length will board members serve?

Questions for Sub-Committee B:
(Jerry Simpkin, Jim Brown, Jim Hare)
Physical space requirements, budget, financial plan

What are the location parameters for our space search? Are we comfortable with neighborhoods peripheral to Midtown, such as Oak Park or Alkali Flat, which have lower rents, but may feel less safe?

How much space (total square feet) and we looking for? What are the ideal features of that space (such as reception area, main meditation hall, meeting space, bathrooms, interview room, storage, library)?

Assuming no space will be ideally configured, what budget should be set for tenant improvements (demising walls, paint, furniture, etc.)? When we make tenant improvements, should we be thinking in terms of volunteer labor or hiring contractors?

What is our estimate of the budget required to operate the center, including rent, utilities, insurance, janitorial, and building management personnel?

How will the center be cleaned? Use a janitorial service, hire a caretaker, or by sangha volunteers? What is the cleaning schedule?

How will building maintenance/improvement issues be handled? Who is responsible for interacting with the landlord on such issues?

Will the building have a security system?

Will the building have a permanent donation box? Who will be responsible for it?

What is the general vision of financing the operation the center? Will there be “pledging” members? If so, what benefits will such members receive in exchange for their pledge? Will there be different levels of membership, with levels of benefits corresponding to the amount of the monthly pledge?

Will there be a capital campaign as well as an annual fund campaign? Who will manage these campaigns? Do we recommend engaging a fundraising consultant?

What amount should the individual sangha’s pledge to jump-start the intial fundraising campaign?

Physical attributes of a new dharma center

1. **Dedicated sangha space**
 - Main meeting room with usable space (i.e., free from stored furniture, supplies and other obstacles) for up to 125 people on chairs and cushions.
 - Additional meeting spaces of lesser capacity for concurrent activities.
 - At least one non-meeting room for office uses, library, interviews, waiting area, etc.
 - Separate main entry area with adequate space for shoes, literature display, etc.
 - Location for a permanent altar.
 - Zoning and code compliance appropriate to our uses.
 - Central heat and air conditioning.
2. **Support space**
 - Commercial kitchen adequate for serving large groups.
 - Meditation and storage areas on the same ground-floor level.
 - Restrooms adequate for large groups.
 - Parking adequate for large groups (avoiding conflict with neighbors), including some lighted, off-street parking.
3. **Dedicated storage**
 - Storage space that is readily accessible to the main meeting space.
 - Dedicated storage for bulky gear such as chairs, cushions, mats.
 - Storage appropriate for fragile items.
 - Secure, accessible location for audio equipment.
 - Storage space that is adequate for current needs, with room for growth.
 - Adequate dedicated storage for each group using the space.
4. **Safe, environmentally-friendly space**
 - Physical plant that facilitates safe use by people with limited mobility and environmental sensitivities, such as allergy to carpeting.
 - Security system.
 - Energy-efficient features (insulation, doors and windows, HVAC, major appliances, etc.)
5. **Pleasing and inviting space**
 - Inviting esthetics.
 - Sanctuary as the basis for the plan.
 - Meditation space(s) that accommodate all practice forms.
 - Physical separation between quiet spaces and noise-generating spaces.
6. **Desirable location**
 - Location within the greater central city (Downtown, Midtown, East Sac, Land Park/Curtis Park)

- Proximity to available outdoor space suitable for walking meditation, outdoor movement, family and social activities, etc.
- Proximity to public transit routes.
- Proximity to markets and cafes.

Attachment 3: Model Floor Plans (see linked PDF files)

Attachment 4

Existing Sangha Schedules:

Week	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
1	SBMG (daylong) 6:30 SBMG Qigong 7-9 SBMG	7-9 Valley Streams	7-9:30 SIM Brd.		6:30-8:30 SIM/Movement		SBMG (daylong)
2	SBMG (daylong) 6:30 SBMG Qigong 7-9 SBMG	7-9 Valley Streams			7-9 Valley Stream Brd. 7-9:15 SIM		SBMG (daylong)
3	SBMG (daylong) 6:30 SBMG Qigong 7-9 SBMG	7-9 Valley Streams		6:30-9 ISCC	6:30-8:30 SIM/Movement		SBMG (daylong)
4	SBMG (daylong) 6-6:45 SBMG Intro 6:30 SBMG Qigong 7-9 SBMG	7-9 Valley Streams			6-6:40 Intro SIM 7-9:15 SIM Feb. Steve Armstrong		(SBMG Daylong) (SIM last Sat daylong)
5	SBMG (daylong) 6-6:45 SBMG Intro 6:30 SBMG Qigong 7-9 SBMG	7-9 Valley Streams					(SBMG Daylong) (SIM last Sat daylong)

Attachment 4

Dharma Center Schedule:

	VALLEY STREAMS	SIM	SBMG	DHARMA CENTER
THIS ROW: CURRENT VARIABLE ACTIVITIES	Spring Daylong Fall Daylong Ceremonies (evening or weekends) Doan Training two hours (eve or weekends) Beginning Zen class-once a year, Tuesdays 7 to 9, has been at SBMG	Beginning classes 2x's year 6 Mondays and a one day on Saturday the 4 th Wk	Family Dharma 3-4:15 Sundays 1x mo. May Vesak picnic Scheduling Com. Varies Beginning classes 2 x yr. Day varies-4 to 6 wks. Zen, Vipassana, Tibetan	
THIS ROW: CURRENT EXTERNAL ACTIVITIES i.e. not on site	October annual meeting and potluck-Sunday Study group	3 Kalyana groups 1 st and 3 rd Tuesdays 1 st and 3 rd Wednesdays 1 st and 3 rd Wednesdays	Book Group Woman's Group 2 Kalyana mita groups 2 nd & 4 th Weds. 2 nd & 4 th Thursday	
THIS ROW: DREAMING	Dharma classes am and pm sittings	MBSR class Weekly Thursdays 7 to 9	Longer non-residential retreats. Am & pm sittings diversity groups day of service library	Open sitting hours Teen Group

Proforma Operating Budget:

Proforma Operating Budget

Expenses	Triple Net Lease				Full Service Lease					
	Raw industrial space		Raw commercial space		Finished commercial space		Premium finished commercial space			
Rent per square foot	4200	4200	4200	4200	4200	4200	4200	4200	4200	
Square feet	\$ 0.50	\$ 0.75	\$ 1.00	\$ 1.25	\$ 1.50	\$ 1.75	\$ 2.00	\$ 2.25	\$ 2.50	
Monthly										
Rent	\$2,100	\$3,150	\$4,200	\$5,250	\$6,300	\$7,350	\$8,400	\$9,450	\$10,500	
City utilities (water, trash, sewer)	\$200	\$200	\$200	\$200	\$200	\$0	\$0	\$0	\$0	
SMUD, PG&E (10¢ per sq.ft.)	\$420	\$420	\$420	\$420	\$420	\$0	\$0	\$0	\$0	
Janitorial	\$200	\$200	\$200	\$200	\$200	\$0	\$0	\$0	\$0	
Security	\$100	\$100	\$100	\$100	\$100	\$0	\$0	\$0	\$0	
Insurance	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	
Building maintenance	\$300	\$300	\$300	\$300	\$300	\$0	\$0	\$0	\$0	
Property Taxes	\$525	\$525	\$525	\$525	\$525	\$0	\$0	\$0	\$0	
Building manager/administrater	\$500	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	
Bookkeeper/Accountant	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	
Monthly Total	\$4,670	\$5,620	\$6,670	\$7,720	\$8,770	\$8,075	\$9,125	\$10,175	\$11,225	
Loaded monthly per sq.ft.	\$1.11	\$1.34	\$1.59	\$1.84	\$2.09	\$1.92	\$2.17	\$2.42	\$2.67	
Annual										
Rent	\$25,200	\$37,800	\$50,400	\$63,000	\$75,600	\$88,200	\$100,800	\$113,400	\$126,000	
City utilities (water, trash, sewer)	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$0	\$0	\$0	\$0	
SMUD, PG&E	\$5,040	\$5,040	\$5,040	\$5,040	\$5,040	\$0	\$0	\$0	\$0	
Janitorial	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$0	\$0	\$0	\$0	
Security	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$0	\$0	\$0	\$0	
Insurance	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	
Building maintenance	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$0	\$0	\$0	\$0	
Property Taxes	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300	\$0	\$0	\$0	\$0	
Building manager/administrater	\$6,000	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	
Bookkeeper/Accountant	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	
Total Annual Expenses	\$56,040	\$67,440	\$80,040	\$92,640	\$105,240	\$96,900	\$109,500	\$122,100	\$134,700	
Rent/sq.ft./year	\$6.00	\$9.00	\$12.00	\$15.00	\$18.00	\$21.00	\$24.00	\$27.00	\$30.00	
Expenses/sq.ft./year	\$7.34	\$7.06	\$7.06	\$7.06	\$7.06	\$2.07	\$2.07	\$2.07	\$2.07	
Total/sq.ft.	\$13.34	\$16.06	\$19.06	\$22.06	\$25.06	\$23.07	\$26.07	\$29.07	\$32.07	
Annual Income										
Sangha pledges (estimate based on current rents paid)	\$12,000	21% \$12,000	18% \$12,000	15% \$12,000	13% \$12,000	11% \$12,000	12% \$12,000	11% \$12,000	10% \$12,000	9% \$12,000
Special occasion rental income	\$4,000	7% \$4,000	6% \$4,000	5% \$4,000	4% \$4,000	4% \$4,000	4% \$4,000	4% \$4,000	3% \$4,000	3% \$4,000
Sangha member pledges @ ave. donation \$35 per month (\$420/yr)	\$40,040	71% \$51,440	76% \$64,040	80% \$76,640	83% \$89,240	85% \$80,900	85% \$93,500	87% \$106,100	88% \$118,700	
Number of pledges to reach budget	95	122	152	182	212	193	223	253	283	
Total Annual Income	\$56,040	\$67,440	\$80,040	\$92,640	\$105,240	\$96,900	\$109,500	\$122,100	\$134,700	

Cost of Tenant Improvements*

At this rent per square foot	\$ 0.50	\$ 0.75	\$ 1.00	\$ 1.25	\$ 1.50	\$ 1.75	\$ 2.00	\$ 2.25	\$ 2.50	
Capital Costs										
Tenant Improvements / sq.ft.	\$60	\$50	\$40	\$30	\$20	\$15	\$10	\$7.50	\$5	
Tenant Improvements	\$252,000	\$210,000	\$168,000	\$126,000	\$84,000	\$63,000	\$42,000	\$31,500	\$21,000	
Altar	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	
Furnishings	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
Operating Reserve (3 months)	\$14,010	\$16,860	\$20,010	\$23,160	\$26,310	\$24,225	\$27,375	\$30,525	\$33,675	
Total Capital Costs	\$270,010	\$230,860	\$192,010	\$153,160	\$114,310	\$91,225	\$73,375	\$66,025	\$58,675	

*Working assumption is an inverse relationship between rent and the cost of tenant improvements (TI). Per square foot cost estimates are based on consultation with real estate professionals, however actual costs will vary.

Paying for Tenant Improvements

Start-up donations from member sanghas*	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Capital donations from individual sangha members + Capital investments individual sangha members	\$255,010	\$215,860	\$177,010	\$138,160	\$99,310	\$76,225	\$58,375	\$51,025	\$43,675
Total Capital Fundraising	\$270,010	\$230,860	\$192,010	\$153,160	\$114,310	\$91,225	\$73,375	\$66,025	\$58,675

*For illustrative purposes only; no start-up donations have yet been committed

Capital Needs Investment*

Investors	Investment Amount	Rate of Return	Annual Investment Return	Addition to monthly rent	Addition to annual rent
1	\$ 10,000	2.5%	(\$250.00)		
10	\$ 100,000		(\$2,500.00)	\$208.33	\$2,500
15	\$ 150,000		(\$3,750.00)	\$312.50	\$3,750
20	\$ 200,000		(\$5,000.00)	\$416.67	\$5,000
30	\$ 300,000		(\$7,500.00)	\$625.00	\$7,500

*Working assumption is that some sangha members will participate in the project as investors. For illustrative purposes the individual investment is set at \$10,000, with a return of 2.5%. These member investors would receive a return on their investment from rent paid by the center.

Purchasing a Building*

Investors	Investment Amount	Rate of Return	Annual Investment Return	Monthly rent	Annual rent
1	\$ 30,000	5.0%	(\$1,500.00)		
20	\$ 600,000		(\$30,000.00)	\$2,500.00	\$30,000
30	\$ 900,000		(\$45,000.00)	\$3,750.00	\$45,000
35	\$ 1,050,000		(\$52,500.00)	\$4,375.00	\$52,500

*Although not considered a primary strategy, this scenario is included to illustrate the possibility that a sufficient number of sangha members wished to participate at a higher investment level. For illustrative purposes, the individual investment is set at \$30,000 with a return to investors pegged at 5%. As in the above scenario, investors would receive their return from rent paid by the center.