

# 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 establishing *The Angel City Zen Center*, a "sanctuary" dedicated to the practice of shikantaza (just sitting) zazen (seated meditation) in Los Angeles. Such a place would sustain the ongoing activities of Dogen Sangha Los Angeles.

DSLAs having its own, dedicated space would help resolve this central challenge: The group 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 stunt growth. They complicate and limit how the group operates, what activities and programs it offers to the community, and how it responds to new and changing needs.

We're currently only able to offer two sittings per week on opposite sides of the city. The new dedicated *Angel City Zen Center* facility envisioned in this report would allow the group to offer daily sittings, regular daylong retreats, and a variety of specialized classes. We could bring in guest teachers. We could hold more morale/community-building events like movie and karaoke nights, comedy and filmmaking workshops.

Having full control of a space would also allow us to tap a number of other revenue streams/open our doors to communities not currently being adequately served by the Sangha. We envision hosting a full complement of yoga classes (perhaps daily). A member of our Executive Committee is a certified yoga instructor and a number of her colleagues have expressed interest in teaching at our center. A martial arts instructor wants to bring classes to ACZC. During off hours, our space could be rented to other Buddhist organizations, Alcoholics Anonymous groups, and so on.

Finally, and perhaps most importantly, establishing this center will mean bringing our teacher Brad Warner to Southern California permanently. With no steady stream of income in Los Angeles, Brad has had to be out on the road teaching for a significant portion of these past few years. Expanding our operation, getting more people in the door, and increasing our revenue, means Brad does not have to travel away from us to make money.

Brad Warner is an internationally recognized and renowned Zen teacher whom has sold literally hundreds of thousands of books. In the Zen game, he is a franchise player, someone you build around. The fact that he has no permanent teaching home is a travesty we aim to correct. Brad will draw the crowds needed to sustain the *Angel City Zen Center*. If we build it... and he is there... they will come.

### **Working Together**

In August of 2014, the DSLA Board of Directors and Executive Committee created the *Angel City Zen Center* Coordinating Subcommittee consisting of: Brad Warner, John Graves, Nina Snow, Craig French, and Ryland Grant. The subcommittee has been guided by agreements meant to ensure consensus and transparency and support the honesty and integrity of each committee member.

The subcommittee has met regularly since August 2014 to make recommendations in four broad areas:

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

The subcommittee 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, dharma teachers whom have founded their own centers, and several fundraising experts.

The subcommittee has maintained a valuable open dialogue with Mary Stancavage, director of the nonprofit Against the Stream Buddhist Meditation Society. ATS opened their first nonprofit center in Los Angeles in 2009 and at the time of this report was making the final arrangements and raising the finishing funds to open their 2nd center in San Francisco. The subcommittee has also been in contact with administrators from the Sacramento Dharma Center who recently raised over \$500,000 to build their own dedicated space. Listening to these folks describe the founding, organization, and ongoing operations of their groups has helped our subcommittee clarify its purpose and guide some of its decisions about an organizational framework to implement its vision.

### **Summary of recommendations**

1. Set budgets and fundraising goals to meet both operational costs and tenant improvement needs.
2. Consider the alternatives of either leasing or purchasing a building.
3. Meet the challenge of higher operating costs through pledged donations and long-term investments.
4. Retain a Zen Center manager to oversee day-to-day operations.

5. Establish a policy for renting our space to non-affiliated groups.
6. Establish a default set-up for the meditation hall, so it is always ready for use.
7. Install a permanent altar.
8. Establish a conflict resolution policy

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

1. The new *Angel City Zen Center* will inherit the organizational structure, rules, bylaws, and procedural etiquette of Dogen Sangha Los Angeles.
2. The new center as defined by this report will only be established when there is adequate financial support for its operation.
3. Final responsibility for establishing and operating *Angel City Zen Center* will rest with the then current members of the Dogen Sangha Los Angeles Executive Committee (and its Board of Directors). The recommendations of this report are meant to support that committee, not limit its responsibility or authority.
4. The recommendations in this report are a response to the current needs of the Sangha. The subcommittee 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**

As alluded to above, the new *Angel City Zen Center* will fall under the operational umbrella of the already well established Dogen Sangha Los Angeles Nonprofit Corporation. DSLA has been successfully serving the Los Angeles community for well over a decade. The organization was granted 501(c)(3) nonprofit status in 2014 and is fully tax-exempt.

### **Governing Bodies: Commitment, Composition and Terms**

The *Angel City Zen Center* will be governed by DSLA's established bylaws. Organizational decisions are made by an Executive Committee and approved by its Board of Directors. Though ultimate decision-making power lies with our Zen Teacher, Brad Warner.

The successful creation and operation of a new center will be dependent on committee/board member dedication. We assume all committee/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 committee/board candidates with specialized knowledge and/or expertise in

leadership, community relations, fundraising, organizational development, and budgeting.

DSLAs Executive Committee currently consists of four officers: a President, Vice President, Treasurer, and Secretary. The bylaws allow for the creation of additional specialized Vice President positions, as need dictates. The Executive Committee is appointed by, and serves at the pleasure of, the Board of Directors.

DSLAs Board of Directors currently consists of three members who are appointed by, and serve at the pleasure of, our Zen teacher Brad Warner.

Committee and Board members hold office for two years and until a successor has been designated and qualified. There is no limit on the number of terms an individual can serve, so any board/committee member can put him/herself forward for re-nomination at the end of his/her term.

### **Executive Committee Authority and Functions**

We foresee the DSLA Executive Committee undertaking the following tasks in formulating a work plan for the proposed *Angel City Zen Center*: creating protocols and priorities for scheduling and rental; adopting a conflict resolution policy; hiring a Zen Center manager and any other persons paid to do work for the Zen Center, and drafting and overseeing the budget.

### **Naming the Zen Center**

The Coordinating Subcommittee consensus is that Brad Warner's proposed/preferred name, *Angel City Zen Center*, is the cat's pajamas.

## **III. The Physical Space**

### **Requirements of the Space**

We will require a 1000 square foot (minimum) practice space. This space will ideally have a small kitchen space. It will allow the group to do oryoki, serve meals during retreats, and will make the space more desirable to perspective sub-renters. Some storage space would be a big plus. A small office would be nice too. In an ideal world there would be a private room for Dokusan (private interviews with the teacher), but the office will work in a pinch.

### **Location parameters of the building search**

Historically, DSLA has operated very successfully in the Los Feliz/Silverlake, CA area. These neighborhoods will be included in our location search along with Echo Park, Hollywood, Eagle Rock, West Hollywood, Mid-City and Downtown Los Angeles.

That said, we don't want to lock ourselves into a specific area and miss out on good opportunities elsewhere.

The location we decide on should be centrally located so that we may continue to easily serve Sangha members in the far corners of Los Angeles like Pasadena, the San Fernando Valley, the South Bay, and Long Beach. The neighborhood should ideally be full of young, hip, socially minded, forward-thinking residents. Those are our bread and butter.

Any neighborhood we settle upon must be safe. There should be ample parking, whether that means plenty on nearby streets, or having our own dedicated lot. The building would ideally be close to markets, cafes, and eateries, near/on well-established public transit routes, and near an available outdoor space suitable for walking meditation, outdoor movement, family and social activities, etc.

## **IV. Management and Scheduling**

### **Management**

We recommend that a Zen Center Manager position be created to oversee day-to-day operations. The manager's duties could include some or all of the following: scheduling, posting the Zen Center's calendar, general maintenance, cleaning, showing the space, phone & mail, maintaining supplies, interacting with the landlord on building maintenance issues, securing Zen Center Dana, and maintaining communication with the Board. A full job description will be needed. It is still being discussed whether the Manager would be a paid employee or contractor.

If hiring a Manager turns out to not be feasible financially initially, the above duties will need to be split between members of the Executive Committee and trusted members of the Sangha. More discussion in terms of division of labor is needed.

To assure disinterested financial oversight, we also plan to eventually hire a professional bookkeeper and/or nonprofit administrator from outside the Sangha. Until this is feasible financially, DSLA's treasurer will perform these tasks.

Other organizational and operational tasks may be performed by Executive Committee/Board members or qualified volunteers, with general oversight by the Executive Committee.

### **Rental Policy**

Renting the Zen Center to non-affiliated groups or for classes could substantially increase the financial viability of the Center. The subcommittee is agreed that a

primary guiding principal should be consistency of any use with the mission of the Zen Center.

The subcommittee leaves further development of a rental policy to the Executive Committee. Our recommendation is to open the Zen Center with the programs currently offered by DSLA and expand slowly to include other compatible programs and uses.

### **Set Up and Cleaning**

We recommend a default set-up for the meditation hall, to be determined dependent on the configuration of the space. Each teacher/group/user 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 groups/teachers may choose to use other furnishings specific to their practice (e.g., chairs, tables, portable low wall dividers).

Each user 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 user to follow after they hold a sitting or other event at the Zen Center.

We recommend the installation of a permanent altar. As a Zen Sangha, our preference is 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 have to be resolved with respect to an actual site. We recommend that a “temple committee” be created to take responsibility for maintenance of the altar.

As a Zen Sangha, we burn incense on the altar as a regular part of our 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 Zen Center” cleaning would be done by a combination of professional janitorial service and Sangha volunteers. The Zen 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**

DSLA has historically kept operating costs low through sub-tenant arrangements with other established organizations. Becoming a primary lessee will carry significantly greater costs. In addition to higher rent, the Zen Center would incur other building operating costs such as utilities, phone, janitorial services, etc. In

addition, it is possible that the Zen Center would want to undertake modest tenant improvements to make the building most suitable for our weekly programs and weekend retreats.

### **The Initial Fundraising Surge**

Fully intent on giving this endeavor its best chance to succeed, we plan to raise \$75,000 before we even start seriously looking at spaces. As outlined in the attached draft budget, \$16,725 will cover start up/capital costs, \$54,900 will cover the first year's operating costs, and we've built in a small cushion/contingency budget.

We plan to raise this money primarily via a series of Indiegogo campaigns, but will also rely heavily on donations from Sangha members, wealthy private donors, and various fundraising events.

### **Moving Forward**

The goal, of course, after a year, is to have the Center sustaining itself. That said 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 Sangha members and outside donors as the primary source of funding operations. Other financing options – such as future Indiegogo campaigns - and approaches can be considered as necessary.

The following budget discussion is based on draft operating and tenant improvement budgets included as an attachment at the very end of this document. 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 the most likely scenario we'll encounter in a building search. After conferring with a real estate agent, we are counting on paying around \$4 per square foot. The assumption is that the Zen Center/tenant will 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, moving forward, annual operating costs should be about \$54,900. We propose that voluntary weekly, monthly, or annual pledges and/or individual class tuition would form the “backbone” of financing Zen Center operations, with total income coming from the following three sources:

- 1) Pledges from/tuitions paid by individual Sangha members.
- 2) Rent from non-member groups using the Dharma Center.
- 3) Pledges from outside Individuals (Brad Warner fans outside of Los Angeles).

And, of course, any short fall would be made up with another aggressive internet fundraiser.

We anticipate that pledges from/tuition paid by individual Sangha members, in the aggregate, would fund the largest share of the operating budget, most probably in the range of 60-70% of the total budget. Rent from non-member groups would fund 20-30% of the budget. Pledges from outside individuals would be an incidental source of income, estimated at 5-10% of the budget.

As noted on the budget page, the number of individual contributors (at average \$50 per month or \$600 per year) needed to sustain our operating budget would be 92.

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.

### **Teacher Dana**

As has been done for years at DSLA, an appointed member of the Sangha will ask attendees for teacher dana/contributions to keep the center running at the end of each of our events. Historically, all dana collected has necessarily gone into the group bank account to cover operating costs. It is the recommendation of this subcommittee that we eventually move toward the model adopted by centers like *Against the Stream*, where Dana is split evenly between the Center and the attending teacher.

### **Tenant Improvements: Making the Building our Own**

Since no leased space will be ideally configured for the Zen Center’s intended use, we assume a modest budget for tenant improvements (internal walls, plumbing, paint, furniture, etc.) will be required.

Any major tenant improvements (though we’re trying hard to avoid needing to make any) will require professional design, plans, code compliance, and building permits, and we recommend that these be handled by a professional architect and contractor. Sangha volunteers could handle minor tenant improvements, such as painting.

### **Investment Option to Fund Center Operations:**

In addition to soliciting gift donations, the Zen Center could create a “member-investor” vehicle to fund shortfalls in operating costs/Center 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 start up costs/tenant improvements at the Zen Center, with Sangha-member-investors receiving their return from incremental rent paid by the Zen Center. In other words, the Zen center’s rent would include two payments – one to the landlord and one to the investor group.

### **Purchase Option**

In the most likely and anticipated scenario, the Zen 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 supporters/investors stepped forward and we raised around \$1,000,000, the Zen Center could consider purchasing and renovating a building, as opposed to leasing. We consider this possibility intriguing enough not to completely rule it out.

### **Concluding statement of the ACZC Coordinating Committee**

We the members of the Coordinating Committee appreciate the opportunity to have served the Sangha in the capacity of researching and writing this report. In the months since we began meeting we have become increasingly hopeful that a acquiring our own, dedicated practice space 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 the *Angel City Zen Center*.

Craig French  
Rylend Grant  
John Graves  
Nina Snow  
Brad Warner

See following page for attachments

## DRAFT BUDGET

### *Practice Area Only*

#### Monthly

Square Feet:	1,000
\$\$ per Square Foot:	\$4
Rent	\$4,000
City utilities (water, trash, sewer)	\$100
SMUD, PG&E (10¢ per sq.ft.)	\$100
Janitorial	\$75
Security	\$75
Insurance	\$100
Building maintenance	\$100
Property Taxes	\$125
<b>Monthly Total</b>	<b>\$4575</b>
Loaded monthly per sq.ft.	\$4.58

#### Yearly

Rent	\$48,000
City utilities (water, trash, sewer)	\$1,200
SMUD, PG&E (10¢ per sq.ft.)	\$1,200
Janitorial	\$900
Security	\$900
Insurance	\$1,200
Building maintenance	\$1,200
Property Taxes	\$1,500
<b>Annual Total</b>	<b>\$54,900</b>
Rent/sq.ft./year	\$48.00
Expenses/sq.ft./year	\$8.10
Total/sq.ft.	\$54.90

Number of pledges at an average donation of \$50 per month to reach our monthly budget? **92**

**\*Continued on the next page\***

**Capital/Start Up Costs**

Building Improvements	\$2,000
Altar	\$1,000
Furnishings	\$1,000
Operating Reserve (3 months)	\$13,725
<b>Total:</b>	<b>\$16,725</b>

**TOTAL WE NEED TO RAISE (capital/start up costs + 1 year of operation):  
\$71,625**

**Other Concerns:**

**Manager Salary**

**Part time:**

Monthly	\$1666
Yearly	\$20,000

**Full time:**

Monthly	\$2917
Yearly	\$35,000