

RECOMMENDATION TO THE SANGHA RE OUR BUILDING =FOR DISCUSSION=

Since early spring, 2012, the MZMC Board, our head teacher and associate guiding teacher, and our administrator have been working countless hours to develop a recommendation to present to the sangha regarding our physical space. We have worked with two consultants from Cincinnati to formulate a proposal that would ultimately result in a center which will meet all of our practice needs for generations to come. This work included formation of a Strategic Planning Committee (SPC); one-on-one telephone interviews with sangha members; a daylong meeting with the consultants, priests, sangha members and administrator; a half-day retreat with Board members and priests; and two Board retreats (1 1/2 days total). The input from all of these encounters helped to inform the recommendation of the Strategic Planning Committee to the Board and from the Board to the sangha (for discussion).

Four options were considered over the last ten months:

- 1) raze the current structure and build a new center on the land
- 2) sell the property and buy/lease and renovate new space within about a 4-mile radius from MZMC--this might include the option of buying land and building a new center
- 3) stay in our current building but build a 1500-square foot addition
- 4) stay in our current building with no renovations or additions

The option that the SPC recommended to the Board and which the Board is presenting to the sangha for discussion is Option #1.

NOTE: If prohibitive county, city and/or historic preservation problems arise, Option #2 will be recommended for discussion.

Below is a brief discussion of the four options.

Number 1

Many people find it almost unthinkable that ZC might move from its location on Lake Calhoun. But we also understand that our current building cannot support our practice and programming into the future. The Board strongly believes that we should raze the current building and re-build on this land that has been our practice home for 40 years.

This option would allow Zen Center to build a green, low-maintenance building on a site so many love and associate with MZMC. The building would be up-to-code and handicapped accessible. The sangha would be energized and excited to engage in a daring project which would serve not only our membership but also the greater community for many, many years to come.

This would be a 10-year plan and would require about \$900,000-\$1,000,000 to achieve. We would need to at least triple our membership if we decide to take out a loan (in full) for this project. Our membership numbers will determine the amount of loan we would be able to take out. The rest of the cost would need to be realized through fundraising. Obstacles could include zoning and permitting issues with the city and county; historical preservation hurdles; parking must be added to the lot; member attrition and disruption during the razing and rebuilding. Assessment by a contractor and/or architect must be completed to make sure that this is a feasible option on this site. (We should know if this is a viable option by the time our new guiding teacher is hired. If it is not an option, then we would recommend relocation.)

Number 2

Selling the property (current market values are between \$800,000 and \$1.5 million depending upon the buyer's plans for the property) and finding a new space to buy or lease would be a five-year plan. Depending upon how much money we realize from the sale, it is possible that we would need no additional monies to effect the move. However, we might need to significantly increase membership and fundraising to close any gap between the monies from the sale of the building and the property we want to purchase. It might be difficult to match the setting we currently enjoy and we would likely not be able to afford an appropriate building *with* green space in south Minneapolis. Timing would be tricky between putting ZC on the market, finding a new location, renovating the space and moving. There could be some disruptions to our members. There would also be a significant amount of work required from teachers, priests, administrators and sangha members during and after the transition.

Leasing a property rather than buying could give us the luxury of flexibility and predictable costs. We would not need to hire out for maintenance work as this would be part of the lease expenses. This would free up considerable administrative time. However, the cost of a lease for the square footage we are looking for (approx. 6000 sq. ft.) would be \$8000-10,000/month (although this could be lower if we rent shared space). The rental market is very tight right now. Finding the right facility in a good location for a lease we can afford might be very difficult. In addition, if we bank any proceeds from the sale of our current building in order to start to build an endowment, we would need to double or triple our membership to pay for the monthly lease. Proceeds from such an endowment (which is currently non-existent) would help fund monthly expenses, bring in guest teachers or fund special projects, for example.

Leasing also frees the center from the yearly costs of maintenance, heat, electricity and water. These expenses typically run \$20,000-24,000/year.

In moving to a new property we would have the opportunity of finding a space that would more adequately meet our needs and would be less costly to maintain. The sangha would be able to work together toward a future in a new space that we helped find, renovate and pay for.

Number 3

To stay in our current building, even with no renovation, would cost roughly \$200,000 in deferred maintenance. And at the end of sinking a significant amount of money into the building we would still be left with a structure that does not meet our needs. Annual maintenance is estimated to be \$15,000.

Among other problems, Zen Center is not handicapped accessible; there is insufficient parking; our bathrooms are not easily accessible; there is extremely limited classroom and meeting space; there is no room for children's practice during service. All of these limit our ability to serve the members we have much less grow.

Number 4

Adding on to our current building (at a cost of roughly \$300,000) raises issues of hidden/unknown costs and the always unpleasant (and inevitable) surprises that come with renovating a very old building. This would be in addition to the approximately \$200,000 we would need to spend on deferred maintenance. Up to 25% of our property would need to be allocated for parking, completely changing the look of our green space. Mixed buildings (two separate, joined structures) can be tricky to maintain and can cause significant problems related to heating, electrical and plumbing). We would need to vacate the building during renovation causing disruption to practice, classes and services. We would need roughly 135 new members to cover the cost of a loan (at \$4500/month for 25 years). We would still have the old building with all of its attendant (and continuing) problems of maintenance and space issues.

