

## MEASURING COLLABORATION

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# The Benefits and Impacts of Nonprofit Centers

Prepared for:

**THE NONPROFITCENTERS | NETWORK**

**TIDES**

WHAT'S POSSIBLE

Prepared by:

**Mt. Auburn Associates**

Study made possible by:

**The Kresge Foundation**

**The Lodestar Foundation**

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# The Benefits and Impacts of Nonprofit Centers

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## SECTION 1: INTRODUCTION

Thriving communities, better social services for more people, new civic infrastructure, and successful models for public and private partnerships are just some of the benefits when nonprofit organizations co-locate and share resources. Models of shared facilities, known as nonprofit centers, are as diverse as the many communities that house them. Yet, this first-ever assessment of organizations sharing facilities in the US and Canada found that organizations in shared spaces experience significant improvements in their overall effectiveness and efficiency, which ultimately yield greater impacts for the communities they serve.

### Community Need

The NonprofitCenters Network (NCN), a program of Tides, was launched in 2004 to provide education and resources for the creation and operation of quality nonprofit workspaces across North America. NCN provides training, technical assistance, and project consulting for community leaders creating and operating facilities that house multiple organizations, known as nonprofit centers. Increasingly, NCN and nonprofit centers have been asked to provide more data, both quantitative and qualitative, about the benefits associated with co-location of nonprofit organizations as well as the broader impact of these centers. In response to this call for evidence-based research, NCN commissioned the first impact study of shared nonprofit facilities in the US and Canada.

### Methodology

Mt. Auburn Associates led the study and conducted the primary research between August 2010 and May 2011. The research included a survey of the directors of nonprofit centers (146 responses<sup>1</sup>), a survey of tenants of 16 nonprofit centers (167 responses, a 57% response rate), interviews with center directors in 15 centers, four focus groups of center directors, and, finally, five in-depth case studies. The research focused on "intentional" nonprofit centers, facilities that were established with the explicit mission of providing shared spaces and services for nonprofit organizations in the community.

This Executive Summary draws from the study research. The summary provides an overview of some of the major findings of the research, particularly the survey results. The full report provides significantly more qualitative findings about best practices as well as stories of the transformative outcomes that resident organizations and center directors revealed in the interviews completed for the report.

## SECTION 2: STUDY RESULTS

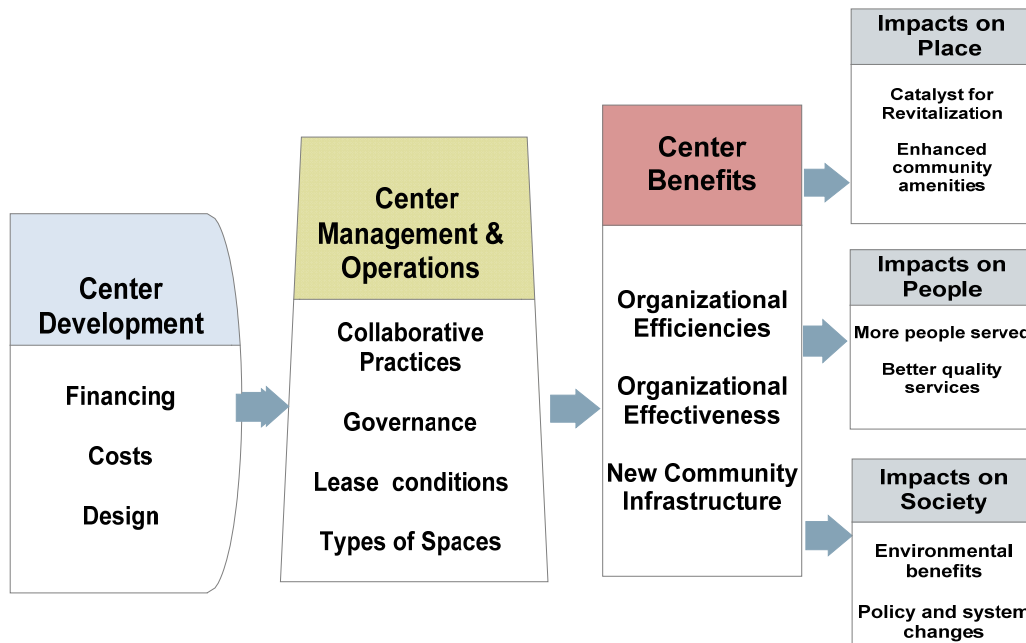
### Framework

Nonprofit centers are engaged in a wide variety of services and activities that result in significant benefits to their resident organizations as well as to the communities in which the centers are located. By encouraging shared resources and collaboration amongst nonprofit organizations and by developing community-oriented facilities, nonprofit centers achieve a number of significant benefits. Benefits result directly from the center

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<sup>1</sup> A total of about 390 surveys were delivered to a very broadly defined universe of centers. The overall response rate was, thus, approximately 43%. However, the total population of operating, intentional nonprofit centers has been calculated by NCN to be about 212 of the 390 surveyed. Of the 146 responses to the survey, 133 were from established centers (the remaining thirteen were from centers in the planning or construction phase). Thus, information on established centers in the survey actually represents closer to 63% of the population of intentional nonprofit centers.

and its services—improvements to tenants’ efficiency and effectiveness and new infrastructure, such as community meeting, training, or performance space, within the center. In turn, the benefits of these centers lead to positive impacts on people, places, and society at large.



## Key Findings

The study yields a number of key findings:

1. The design, development, and operation of multi-tenant nonprofit centers take a variety of forms that are strongly rooted in and responsive to the needs of local nonprofit organizations and the larger community.
2. Nonprofit centers typically offer a number of features that distinguish them from traditional office settings, including a variety of leasing and space arrangements, multiple types of shared services, a collaborative environment, and resident organization engagement in decisions regarding building management and operations.
3. Nonprofit centers have, for the most part, demonstrated their financial viability by maintaining high occupancy rates and generating sufficient revenues to meet their expenses.
4. Location in nonprofit centers helps most resident organizations significantly improve their effectiveness and efficiency and achieve their organizational missions through cost savings, improved quality and accessibility of space, higher visibility in the community, improved employee morale, and increased collaboration with other resident organizations.
5. Many centers provide civic spaces that benefit the larger community.

6. Finally, and most importantly, centers produce tangible positive impacts--increasing the availability and quality of services to local residents, supporting the revitalization of economically distressed areas, and promoting the broader social welfare through applying sound environmental design and operations, and serving as a catalyst for improved public policies.

### SECTION 3: OVERVIEW OF NONPROFIT CENTERS

Nonprofit centers are physical facilities that intentionally house more than one nonprofit organization with the purpose of better serving the community. Through collecting detailed data on 146 nonprofit centers, as well as through the interviews and case studies, the study provides a great deal of data on the characteristics of nonprofit centers, how they operate, and their financial condition.

The survey of center directors also provides a sense of the scale of activity associated with nonprofit centers. While only representing part of the total population of centers, those in the survey represent 9.3 million square feet of space (130 centers reporting), and close to 2,600 tenant organizations (129 reporting). Surveyed nonprofit centers earn \$80.2 million in revenues annually (89 reporting), have 17,600 staff people working in the facilities (101 reporting), and host close to 67,000 visitors each week (88reporting)<sup>2</sup>.

#### Center Typology

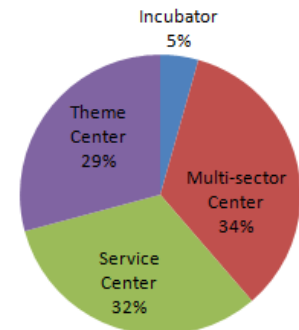
While there is enormous variation in nonprofit centers along most dimensions, this study found that centers differed most fundamentally in terms of their larger mission and the types of resident organizations that they housed. Different types of centers, in turn, led to differences in the nature of the benefits associated with the center as well as the range of impacts that the centers had. The study differentiated the universe of centers across four major types:

*Multi-sector Centers:* These centers are the “generalists” in the field. They are home to a very diverse set of nonprofit organizations, many of which serve different constituencies or focus on totally different domains. They may be operated by old established organizations or new social ventures. These centers may house primarily administrative nonprofit offices or a mix of administrative offices and services.

*Service Centers:* These centers are often characterized as “one-stop” locations for nonprofit human services providers in the community. These centers primarily house organizations that work directly with clients and, therefore, have a large number of visitors, many of whom are receiving services from multiple organizations. Service centers are a little more likely to be found in residential urban neighborhoods and suburban communities for better access to their clients.

*Theme Centers:* Theme centers target specific nonprofit organizations that share a general mission or that are engaged in highlyrelated activities. Of the 40 theme centers in the survey, 37.5 percent are arts-related. Beyond arts, there is a wide diversity of themes, including social justice, sustainability, and religious

**Distribution of Survey Respondents  
By Type of Center**



<sup>2</sup> This does not include the 320,000 visitors reported by the Fort Mason Center in San Francisco.

communities. More unusual themes included centers focused on maritime-related activities, legal services, and education.

*Nonprofit Incubators:* Centers that seek to help young, start up nonprofit organizations are the least common type found in the research. These centers often provide space for a limited amount of time and provide support services that are most relevant to new organizations.

### Center Diversity

The survey of center directors<sup>3</sup> reveals a great deal of diversity in the nonprofit center field:

- Nonprofit centers have been around for a long time, well before there was a network or field that recognized them formally. The survey found that 23 percent of centers have been in existence for 20 years or more. However, there are also a very large number of young centers, with close to one-third of centers in the survey being established in the last five years. These centers seem to be increasing at the fastest pace with 44 percent under five years old.
- Centers are found in all types of communities. While largely an urban phenomenon, with 79 percent of the centers surveyed located in cities, there are a number of centers located in both rural and suburban locations. Within cities, most centers are located in “downtowns”—about 41 percent of all centers.
- Nonprofit centers also come in all sizes, from centers that have developed multiple properties on large tracts of land to centers that only occupy a small part of a building. The median center size is 35,000 square feet, and less than 15 percent have over 100,000 square feet. The median number of resident organizations is 11, but 9 percent of centers responding to the survey had more than 50 tenants.

### Drivers of Development

While center development efforts share the common objective of improving the organizational effectiveness and efficiency of nonprofits, the development process unfolds in a variety of ways depending on local needs, funding sources, leadership, and opportunities, as evidenced by the development history of individual centers. Center developers include foundations, local United Ways, individual nonprofit organizations, nonprofit collaboratives, government, and private developers.

Frequently, individual nonprofits have spearheaded center development to address their own organizational needs and objectives and recruit other nonprofits as residents. Centers are most frequently developed and owned by a single established nonprofit organization, with almost 40 percent of centers falling under this ownership structure. In some communities, nonprofits work together to initiate center development, creating a new organization to own the building (about 20 percent).

Local foundations are often the catalyst for the establishment of centers in their community, having identified this model as an effective investment in support of local nonprofits. A few foundations have also played an important role in promoting the replication of the nonprofit center model or in funding multiple centers. Foundations currently own a little over 20 percent of centers. And, finally, local governments have sometimes played the key catalytic role and actually own about 11 percent of centers surveyed.

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<sup>3</sup> While their titles vary, “center director” is the general term used in this study to indicate the individual responsible for overseeing the operations and programs of a nonprofit center.

## Investments in Development

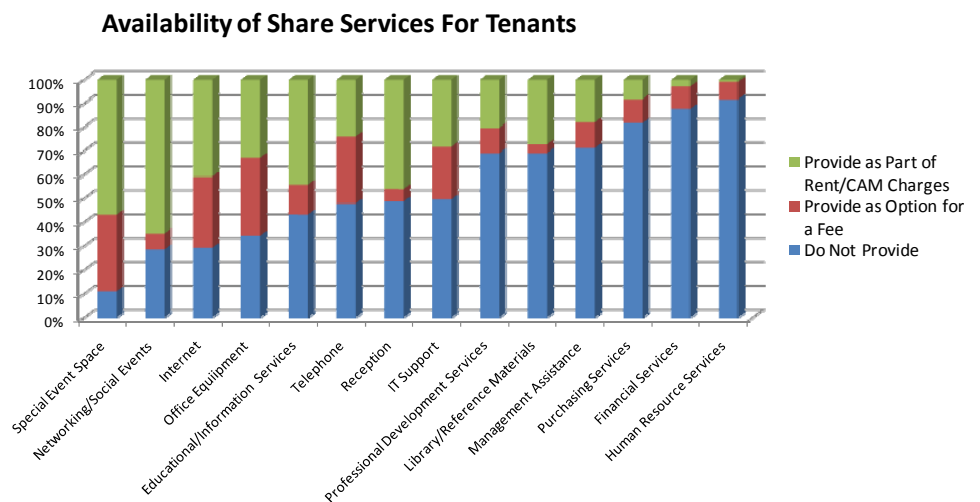
Most centers have used a wide range of financing sources to fund their investments, including capital campaigns (50 percent), private grants and donations (28 percent), government funding (20 percent), and private financing through bank loans and tax exempt financing. This funding has been used primarily to renovate existing buildings in the community (67 percent). In about 21 percent of the cases, nonprofit centers construct entirely new buildings. Over \$405 million in investment were documented from just 31 centers in this study.<sup>4</sup> Clearly, the development of nonprofit centers has led to infusions of significant amounts of money for construction activities in local economies.

Center development costs vary widely. In addition to the obvious differences resulting from size and real estate values, costs are influenced by the unique characteristics of each project. These include whether property is purchased or leased, whether land and/or buildings are donated, what level of renovation is undertaken, what kind of fit-out and equipment are needed, and how much volunteer labor is used. As an example of the wide variations in costs, five centers in the 30,000- to 40,000-square-foot range report capital costs ranging from \$2.3 to \$13.4 million. At the extremes, costs have ranged from \$250,000 to \$300,000 for centers in the 5,000-square-foot range to over \$100 million for a newly constructed center with 1.6 million square feet.

## Types of Spaces and Services

The surveys and interviews found that shared services and spaces are at the heart of what makes nonprofit centers different from standard office spaces and, therefore, provides significant value to resident organizations.

Beyond providing offices with standard leases, there are many differences in the types of spaces and shared services that are available to resident organizations. Some centers provide very small workstations (35 percent) or temporary workspace (12.5 percent), offering flexible options for very small and/or startup organizations. About 14 percent of centers have formal artist workspace.



Beyond workspaces, many nonprofit centers provide access to other common spaces such as kitchens and conference rooms. These spaces are very important to resident organizations, with 89% of the tenants reporting that access to conference rooms was moderately to significantly important and 55% reporting that access to kitchen facilities was at least moderately important.

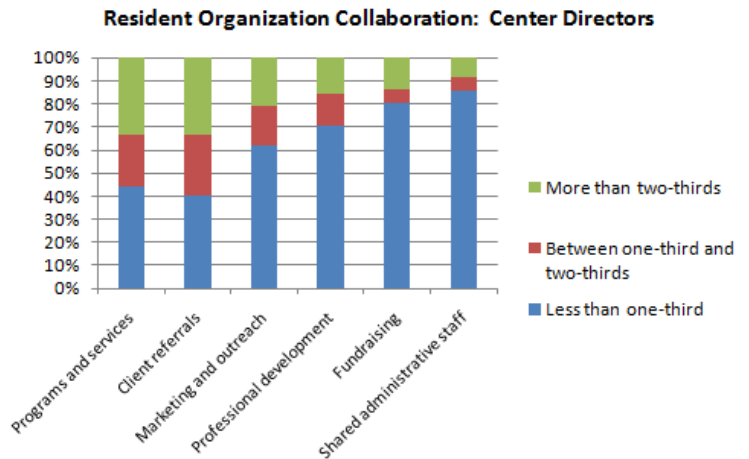
<sup>4</sup> This dollar amount is not corrected for time, thus does not represent the present value of these investments.



The most common services provided as part of the rental rates include networking and social events, reception services, educational and information services, internet access, and space for special events. Tenants reported that they made regular use of meeting rooms, with two-thirds using them at least once a month. Over one-third utilized shared office equipment, and over one-quarter used networking opportunities and management assistance at least once a month. Case studies provide strong evidence that these services translate into direct benefits for resident organizations through reducing their operating costs and increasing their capacity.

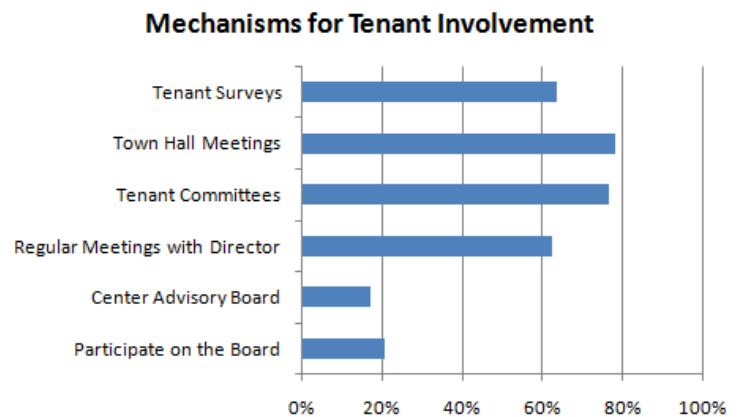
### Collaboration

Beyond making a variety of services and spaces available to the resident organizations, many centers actively encourage both formal and informal collaboration amongst the resident organizations. Collaborating on programs and services and client referrals were the most common ways in which nonprofit organizations housed in centers worked together. More than half of center directors reported that at least one-third of resident organizations, and often more, collaborated on programs and services and on client referrals. Similarly, tenants reported that these two areas were the ones in which they were most likely to collaborate with other tenants—46 percent of the resident organizations reported that they collaborated at least on a monthly basis around their programs and services, and 34 percent collaborated with this frequency around client referrals. As one would expect, collaboration around client referrals was much more prevalent in service centers where 32 percent of the tenants reported that they collaborate at least once a week, as compared to 19 percent in multi-sector centers.



### Governance

Another fundamental way in which nonprofit centers differ from conventional real estate is that in almost all nonprofit centers the tenants have some type of input into center management and operations. Whatever the type and level of resident organization engagement, most center managers consider it an important positive contributor to effective center management. Tenant input appears to be particularly important in influencing decisions regarding shared services and facilities such as meeting rooms and other shared spaces, security, cleaning, and parking. Beyond the direct value of resident organization ideas and suggestions, almost all of the managers interviewed found that the consultation process was very important to maintaining good relations with resident organizations, increasing their sense of ownership and care of the building, and promoting collaboration within the building.



## Financial Stability

Space in centers is typically in high demand, as indicated by low vacancy and turnover rates. Forty-six percent of centers had no vacancies in 2010, while fewer than one in five had vacancy rates of greater than 10 percent. Fifty-three percent of centers had no turnover in that year, while fewer than one in eight had turnover of greater than 10 percent. Among the approximately 80 percent of centers that maintained waiting lists, almost 40 percent had organizations on these lists. This overall level of demand is particularly notable in light of the weak economy and real estate markets and declines in funding for nonprofit organizations.

While about one-half of centers have fundraised to ensure adequate revenues for operations, in general the study found that nonprofit centers are relatively healthy, with about 75 percent of nonprofit centers able to meet their expenses. This was particularly surprising given that this study was conducted in the heart of the economic recession, with many nonprofit organizations facing considerable fiscal challenges.

A large number of center managers cite maintaining the financial stability of their center as the most significant challenge they face, especially in the current economic climate. This challenge has two important dimensions. On the one hand, many managers note that securing funding, particularly for capital improvements, is difficult. About 6 in 10 centers have established maintenance reserves, although some allocate insufficient amounts to meet long-term capital needs. On the other hand, resident organizations are often squeezed financially, particularly in the current economic environment, requiring centers to try to keep costs to a minimum and to provide some flexibility to their resident organizations in terms of rent levels and payment schedules.

## SECTION 4: BENEFITS ASSOCIATED WITH NONPROFIT CENTERS

This study found a very broad range of benefits associated with nonprofit centers, which were then classified into three categories: organizational efficiencies, organizational effectiveness, and new civic infrastructure.

Benefit Type	Range of Benefits						
ORGANIZATIONAL EFFICIENCIES	Reduced and more stable rental costs	Reduced costs through shared services and spaces	Increased productivity through staff retention and staffing capacity				
ORGANIZATIONAL EFFECTIVENESS	Increased organizational capacity	Increased knowledge	Increased IT capacity	Improved access to funders	Improved quality of back office services	Improved service delivery	
COMMUNITY INFRASTRUCTURE	New community spaces and opportunities for civic engagement	Higher quality space through new or renovated facility	Community access to technology	Learning and capacity building assets	New environmental and sustainability practices	Better location or access for staff and clients	

### Organizational Efficiency and Effectiveness

The survey of organizations housed in nonprofit centers found very strong evidence that nonprofit organizations experience significant benefits from locating in nonprofit centers. When asked how their location in the center improved their overall effectiveness and efficiency—56 percent reported substantial improvements and 30 percent reported moderate improvements.

Resident organizations cite a number of specific factors contributing to increased organizational effectiveness and efficiency.

Among the most important of these are increased awareness and credibility of the organization within the community (72 percent reporting moderate to significant improvement), enhanced staff morale (65 percent reporting moderate to significant improvement), higher visibility to funders (59 percent), and greater accessibility for clients (55 percent).

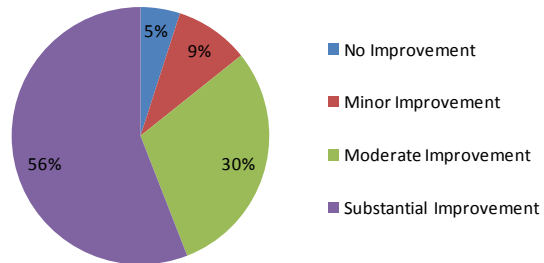
Almost two-thirds of resident organizations also cite collaboration with other center occupants as contributing to their effectiveness and efficiency.

### Cost Savings

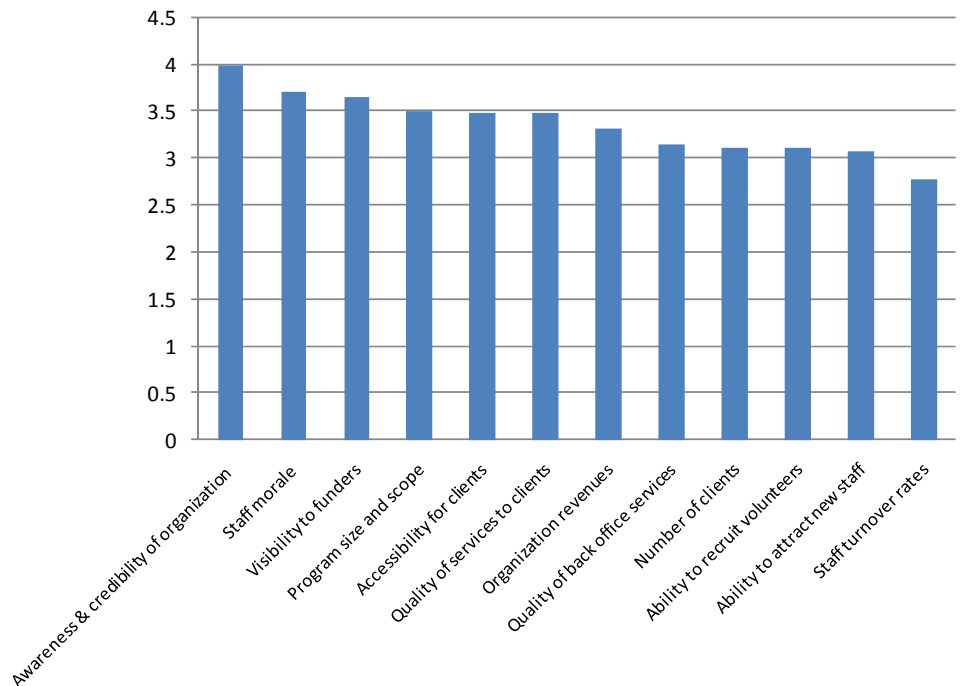
Cost savings is one of the most critical benefits associated with nonprofit centers—with 78 percent of the center tenants reporting that the cost of the space was a critically important characteristic.

These savings result from both lower lease costs as well as savings from shared services, spaces, and staffing provided through the center. Among the center tenants responding to the survey, the average annual cost savings is about 7 percent of annual operating costs. Overall, resident organizations rank low cost as the most critical benefit of locating in a nonprofit center.

**Tenant Assessment of Benefit of Center on their Effectiveness and Efficiency**



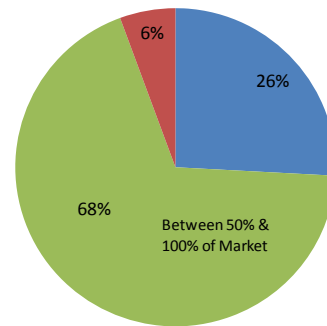
**Tenant Ranking of Organizational Benefits of Being in the Center**



According to the center directors, they are providing their tenants with substantial subsidies through lease rates that are well below market rates. A little more than one-quarter of center directors reported that their lease rates are at most half of current market rates; only a very small number, six percent, reported lease rates that were higher than their market rate in their community.

Interestingly, tenants may be less likely to perceive their rent levels as concessionary than the center director. All but one of the centers from which tenants were surveyed reported that their lease rates were 95 percent or less of market rate and about two-thirds reported that they were 75 percent or less. Yet, only 60 percent of the tenants from these centers who reported knowing about their relative lease rates thought that their rates were lower than current market rates.

**Center Director's Comparison of Lease Rates to Market Rates**



The economic downturn has narrowed the differential between center lease rates and market lease rates. Over one-third of centers report that in recent years their center's rate has become closer to the market rate.

### **Quality, Accessibility, and Visibility**

The study provides strong evidence that the benefits of locating in nonprofit centers go well beyond cost savings. In particular, the *quality and location of the space for the cost* are major benefits noted by a large number of resident organizations and center directors. It is not just that the rent is less expensive, but, for the price, resident organizations are getting a much higher-quality space in a much more accessible location than would otherwise be the case. Eighty-four percent of resident organizations report that the quality of their space improved when they located in the center.

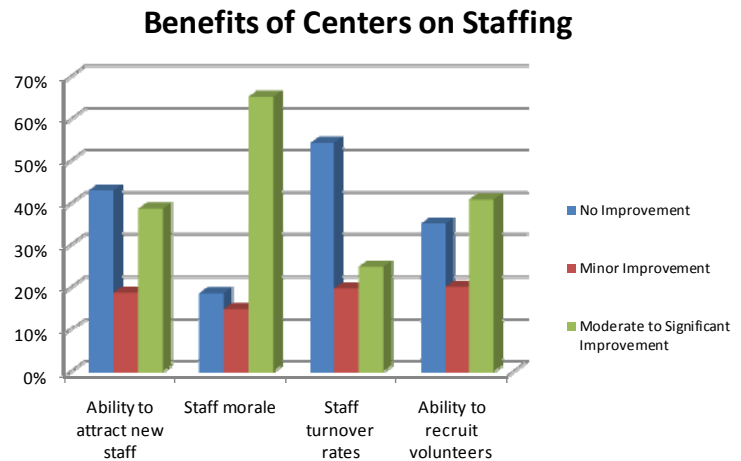
Two other benefits frequently noted by resident organizations and center directors are the accessibility of the facility and their increased visibility in the community. Being located in a highly recognizable location within the community seems to be extremely highly valued by resident organizations—72 percent report moderate to significant improvement in community awareness and credibility of their organizations. Organizations consider this visibility important to their ability to serve their constituents, access the funding community, and attract staff and volunteers.

Center directors similarly report that the accessibility of the location and the quality of the space are the two most important attributes of their center in attracting tenant organizations. In fact, center directors rank these factors as more important than the actual cost savings resulting from locating in the center.

### **Productivity**

The quality, accessibility, and visibility of space, along with the ability to network and participate in collaborative activities, are highly valued by staff of organizations located in the centers. A significant number of nonprofit organizations located in the centers believe that these features have helped them to recruit and retain staff. The greatest impact has been on staff morale, with 65 percent reporting moderate or significant improvements. Improvements in staff morale were also ranked as the second most important

benefit of nonprofit centers by resident organizations. This improvement in staff morale has a direct benefit for these organizations. Over one-half report some impact on the ability to recruit staff, with almost 40 percent reporting a moderate or significant improvement. Forty-five percent also report a reduction in staff turnover rates.



### Organizational Capacity

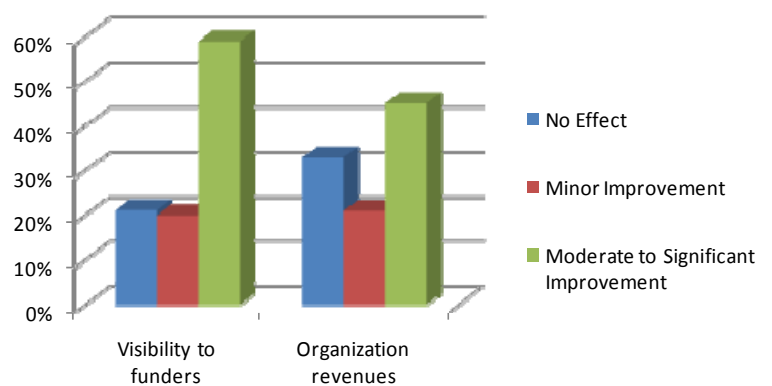
Tenants of nonprofit centers believe that their overall organizational capacity is enhanced as a result of the formal and informal collaborations with other resident organizations and the shared services they receive.

- 62 percent of resident organizations responding to the survey reported that collaboration with other tenants led to moderate to significant improvements in their effectiveness and efficiency;
- 68 percent report moderate to significant impact in their organization's ability to achieve its organizational mission;
- 53 percent report moderate to significant improvements in the size and scope of their programs; and
- 38 percent report moderate to significant improvements in the quality of back office services. This particularly involves availability of communications and office equipment services, with centers most frequently providing telephone, internet, IT support services, and office equipment use.

### Revenue Generation

Also related to organizational capacity, location in a nonprofit center has a positive benefit for resident organizations in terms of their revenues and funding. About 59 percent of resident organizations report moderate to significant improvement in visibility to funders, and about 45 percent report improvements in organizational revenues.

### Organizational Effectiveness: Revenues and Funding

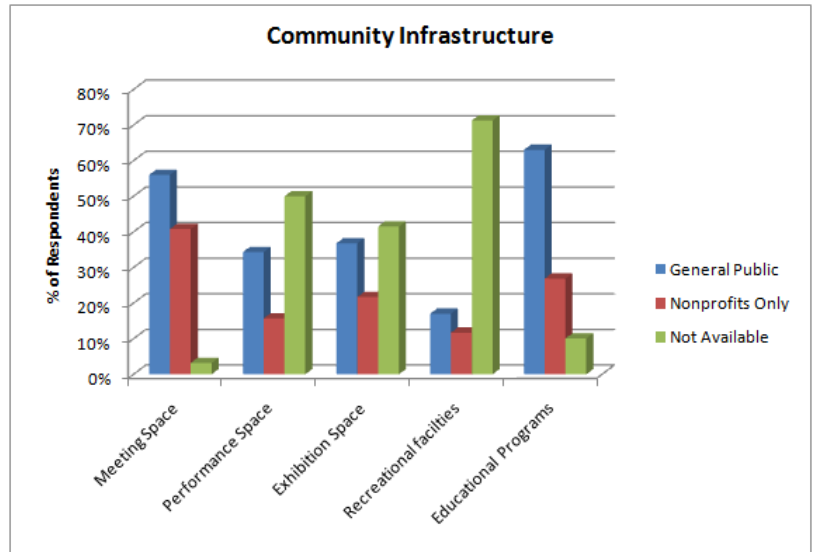


### Community Infrastructure

Through the development of nonprofit centers, new facilities are created that can generate additional potential benefits for both resident organizations and the wider community.

Many nonprofit centers provide facilities and services to the broader community beyond their resident organizations. The majority, 56 percent, provide meeting space that is available to the general public. In many communities, this type and quality of space was not previously available.

Probably the greatest improvement in community infrastructure involves arts and culture, with a little over one-third of centers providing performance space and exhibition space. Center directors note that their facilities have become important “hubs” in their communities’ cultural life, providing new venues for artists and performers.

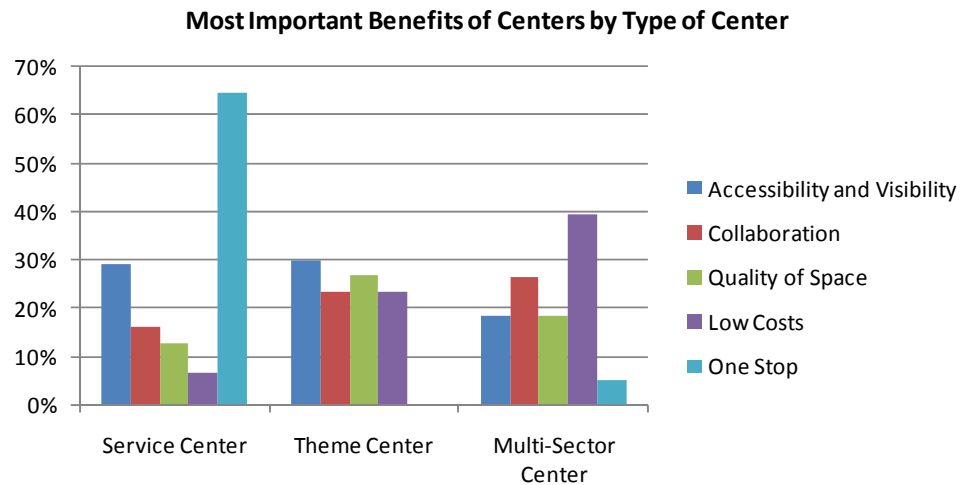


In addition to serving their resident organizations, many nonprofit centers provide educational services, computer resources, and meeting spaces to nonprofit organizations that are not residents of the facility.

### Variations in Benefits by Types of Centers

As noted, there is wide variation in nonprofit centers, and the types and scale of benefits are related to the type of center as well as the types of services and spaces provided by the centers.

Center directors were asked to report what they saw as the most important benefits associated with their centers. There were some clear variations based upon the type of center. For example, over 60 percent of the service



centers noted that being a “one-stop” location for individuals to receive services was the most significant benefit of co-location. In contrast, for multi-sector centers, low costs were noted as the most important benefit by a much larger proportion of directors. Benefits noted by directors of theme centers were focused on the quality of the space and the visibility that co-location provided for resident organizations.

## SECTION 5: IMPACTS OF NONPROFIT CENTERS

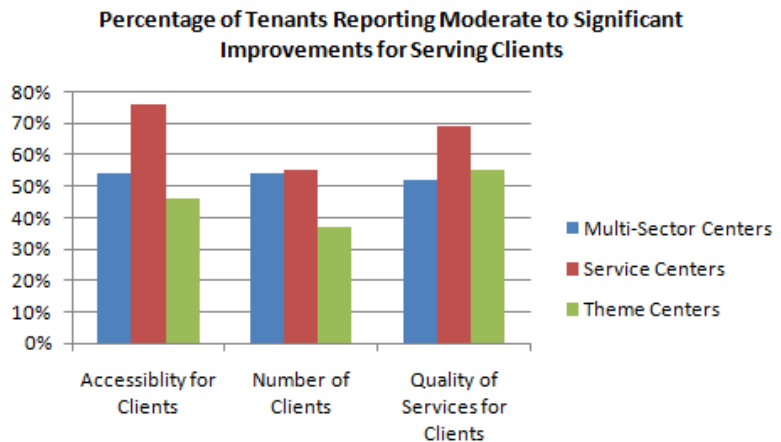
The benefits generated by centers lead to tangible impacts – on people through increased numbers served, reduced time and costs incurred, and improved outcomes; on places through physical revitalization, more business activity, and improved quality of life in areas surrounding centers; and on society at-large through improved environmental quality, new approaches to addressing social issues, strengthening of the nonprofit field, and increased civic engagement.

Impact Type	Range of Impacts			
PEOPLE	Increased numbers served due to greater access	Improved outcomes for clients due to better services and referrals	Human capital development through participation in Center activities and services	
PLACE	Revitalization of surrounding area	Enhanced quality of life through amenity development	Increased revenues for surrounding retailers	Fiscal benefits to the community
SOCIETY	Environmental improvements	New policies and approaches	Field building and knowledge creation	Increased social capital and civic engagement

### People: Benefits to Residents

The economies associated with nonprofit centers basically stretch limited private, foundation, and public sector funds by reducing operating costs for nonprofit organizations residing in the centers. These increased efficiencies lead to the ability to serve more clients (people) and to provide new and increased services that impact more people.

The clearest impacts on people involve resident organizations that provide direct services to clients. These organizations report that center accessibility, reduced lease costs, ability to refer clients to other resident organizations, as well as more informal efforts to coordinate services to clients have resulted in direct impacts on people in the community. Some of these impacts are tied directly to the cost reductions. One-third of resident organizations report using cost savings from locating in the center to increase program and operational spending, and 20 percent report using their savings to develop new programs and services. About 10



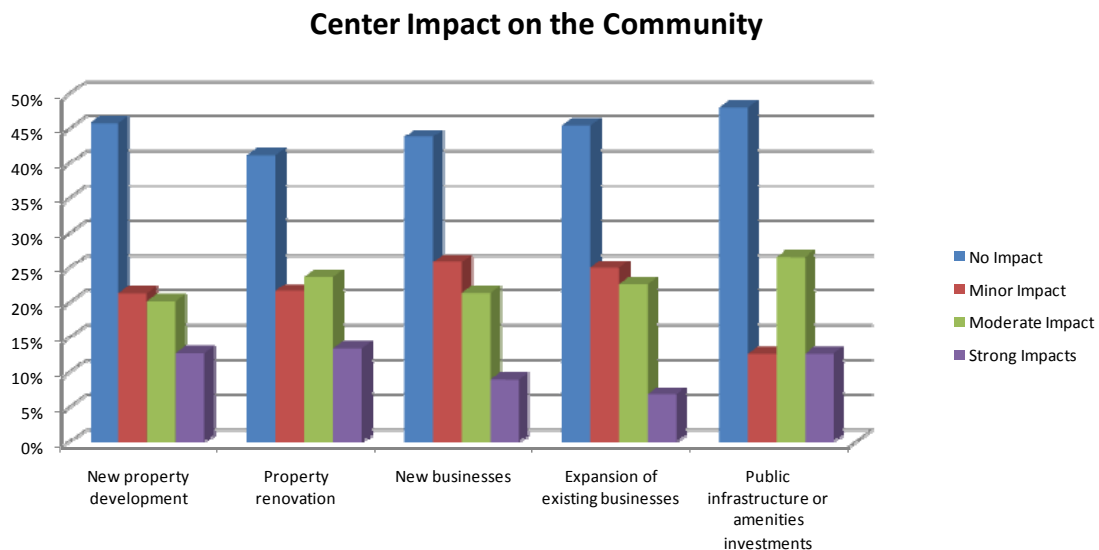
percent report using savings to increase staffing, thereby creating new jobs in the community.

In addition, tenants reported that there was a direct connection between the benefits of being in the center and their ability to serve people:

- 55 percent of resident organizations report that their location in the center has resulted in moderate to significant improvement in the quality of services to clients; and
- 38 percent of resident organizations report moderate to significant improvements in the number of clients they serve. Many resident organizations of service centers interviewed for the case studies note in particular the role of co-location with complementary organizations in bringing more clients to their organization by facilitating client referrals, enabling transportation-challenged clients to meet with multiple providers in a single visit, and reducing other barriers that individuals face who are in need of services.

### Place: Community Impacts

Investment in new community infrastructure expands the nonprofit center's impact on the world beyond the center. These impacts typically result from center location and environment.



A relatively large number of centers, about 40 percent, are located in formally designated economic distressed areas of the community. In the case of service centers, over 60 percent are located in areas formally designated as distressed.

Many center directors report that their investment has led to new property development and property renovation in the surrounding area. About one-third report moderate to strong impacts related to new property development and property renovation in the surrounding neighborhood.

The impacts on the surrounding community are particularly strong in designated economically distressed areas. In areas with poor economic conditions, a major investment in the renovation of a vacant building or the development of a new building on a long vacant lot has been a catalyst for further investment. In



somecases, the nonprofit center has become a critical “anchor” property that has changed perceptions about a neighborhood. Fifty-five percent of center directors in formally designated distressed areas report that their centers have had a moderate to strong impact on surrounding property renovation and 47 percent report a moderate to strong impact on new property development. This compares to 24 percent and 18 percent, respectively, for centers in economically stronger areas.

Another community impact involves the strengthening of small businesses in the surrounding area. Some center directors indicate that the staff and visitors associated with their centers have resulted in increased business for local retailers as well as some new business development. Thirty percent of center directors report that their centers have had a moderate to strong impact on both existing business expansion and new business development. These impacts tend to be greater in areas formally designated as economically distressed. Close to 40 percent of centers located in distressed areas reported that their centers had a moderate to strong impact on both existing business expansion and new business development, about double the percentage in economically stronger areas.

Public infrastructure investments in the surrounding community can be an additional impact of center development. Examples cited by center directors include the development of new transit stops, roads, sidewalks, and public parks. Forty percent of center directors report moderate to strong impacts on public infrastructure investments. These impacts tend to be greater in economically distressed areas, with about one-half of centers reporting a moderate to strong impact compared to about one-third of centers in economically stronger areas. These types of investments are important contributors to improved quality of life.

### **Societal Impacts**

Societal impacts are those that go beyond the clients and community directly served by the center. These impacts result when a center and its resident organizations alter the civic and policy environment for their field. In addition, many centers contribute to improving the environment through creating green buildings and other green practices. While perhaps the most difficult to quantify, the interviews and case studies provide evidence of how, through collaboration and the creation of new spaces for civic engagement, nonprofit centers can spark new innovative ideas, become a catalyst for organizing and advocacy, and lead directly to changes in policies that have a beneficial impact on society.

Systems- and policy-related impacts are most likely to be generated by theme centers and service centers that are highly targeted to specific populations. For example:

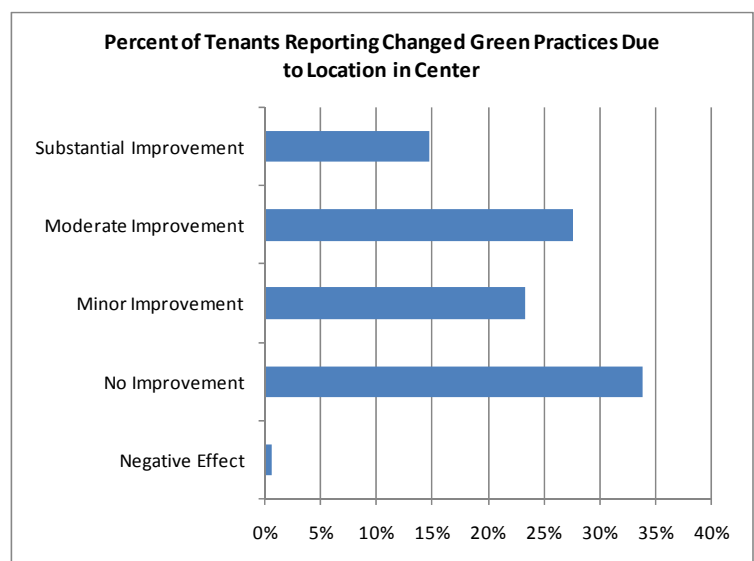
- A couple of centers with sustainability or green themes have become hubs for advocacy and policy around environmental issues. The resident organizations in these centers have collaborated on the passage of a wide range of legislation and have used the centers to educate the broader community about community issues.
- In many communities, arts centers have become strong focal points for the creative economy in the larger community. These centers have strengthened the cultural community and built creative skills in the community.
- Service centers targeted to specific groups such as the disabled or the elderly have become engaged in policy work and advocacy efforts to strengthen the support and services for their constituencies.

Nonprofit centers have also played a role in field-building within the nonprofit community. A number of center managers reported either consulting to centers in other communities during their planning process or being approached for advice by planned and developing centers. Some foundations that have developed nonprofit centers have gone on to build nonprofit centers in other communities. Many centers in the study actively participate in the trainings and peer-learning forums of The NonprofitCenters Network. These types of activities not only stimulate the development of new centers in new places, but also help to ensure that learning within the field translates into better center development and management practices.

Environmental benefits such as reduced carbon emissions and water and materials conservation can occur when the center includes renewable energy systems and incorporates other green building practices. Environmental improvements also result when a center is built on and remediates a brownfield site or removes other contaminants as part of its development.

Only about one-third of centers currently have a strong environmental orientation and report that they have green features related to their building design, building products, systems, or property management. Twenty-three of the 146 centers responding to the survey have been awarded any environmental certifications.

Most resident organizations report some improvement in their green practices as a result of location in the center. Almost two-thirds report at least a minor improvement, and over 40 percent report moderate to substantial improvement. These benefits are most frequently related to increases in recycling. Organizations located in green-certified centers are more likely to report moderate or substantial improvement, over one-half compared to a little more than one-third in centers that are not green-certified.



## SECTION 6: CONCLUSION

In summary, the study found that while nonprofit centers come in a variety of forms reflecting the unique needs of their communities, they offer substantial advantages over traditional real estate models, yield increased effectiveness and efficiency for resident organizations, and generate tangible positive impacts for consumers of these organizations' services, surrounding communities, and society at-large. The benefits of nonprofit centers are demonstrated by the strong demand for space in centers, as reflected by extremely high occupancy and low turnover rates. The tool kit for centers developed in tandem with the study is designed to use the study findings to help centers measure their specific impacts and benchmark their efforts with high-impact centers across North America. Together these new instruments give center leaders the tools they need to amplify their efforts to build strong, vibrant communities.

## ADDITIONAL INFORMATION

### Study Participants

The research team thanks the following organizations for sharing their time and experiences for this study.

#### *Nonprofit Centers*

1528 Chapala  
18th Street Arts Center  
26 West Anapamu  
401 Richmond  
5638 Hollister  
A.J. Muste Memorial Institute  
Al Sigi Community of Agencies  
Alliance for Sustainable Colorado  
Angels Gate Cultural Center  
Arts & Culture Center  
Arts Court  
ArtscapeWychwood Barns  
Artspace Projects  
Asia Society Northern California  
Asian Pacific American Legal Center  
Asian Resource Center - East Bay Asian Local  
Development Corporation  
Badger Association of the Blind and Visually Impaired  
Brandywine Center  
Carpinteria Children's Project  
Carroll Nonprofit Center  
Center for Community Collaboration  
Center for Philanthropy  
Center for the Arts  
Center for Transforming Communities  
Centre for Social Innovation  
Change Place  
Children and Family Services Center  
Coalition for Kids  
Collaborative Space for Sustainable Development  
Community Partners Center for Health and Human  
Services  
Community Service Building  
Community Services Coalition Inc.  
Connections for Hope  
Cultural Development Corporation  
Dahl Arts Center  
David Brower Center  
Delta 2000  
Deschutes Children's Foundation  
Developing Families Center  
Disability Empowerment Center (DEC)  
Discovery Center ~ Great Lakes  
Donald W. Reynolds Community Services Center  
Ed Roberts Campus  
Execution Rocks Lighthouse  
Fairhill Partners  
Family Enrichment Center of Ozaukee, Inc.  
Family Partnership Center  
Fort Mason Center  
Gallatin Shalom Zone, Inc/Union High Resource Center  
GEM Children's Foundation  
Genesis of Ann Arbor  
Georgetown Community Resource Center  
Goodwill North Central Wisconsin Campus  
Greater Flint Arts Council  
Hannan House  
Harbor House Community Service Center  
Link Centre  
Harry and Jeanette Weinberg Kukui Center  
Haven for Hope of Bexar County  
HEARTWOOD HOUSE: AU COEUR DE LA VIE  
Highlands Center at Cape Cod National Seashore  
Howarth Center  
Human Services Center Corporation  
Institute of Cultural Affairs  
J Space beta  
J. Walter Cameron Center  
Jean Vollum Natural Capital Center  
Jefferson Center  
Jerry Forbes Centre for Community Spirit  
Josephine Butler Parks Center  
Knott Foundation  
Loudoun Cares Nonprofit Center  
MakomHadash  
Mansour Center  
Marian Center for Nonprofits  
Marin Justice Center  
MaRS Discovery District  
McConnell Center  
Migrant Resource Network  
Mission Economic Development Agency  
National Youth Transitions Center  
Neighborhood House High Point Center  
NEW Center  
New Organizing Institute Education Fund  
Ninth Street Media Consortium  
Nonprofit Innovation Center  
Nonprofit Village  
NTC Promenade Arts and Cultural District  
Open Book  
Orange County Shared Spaces  
Orillian Common Roof  
Partnership For Children Resource Center  
Perry School Community Services Center  
Phillips Center  
Portoluz  
Preservation Park Center, Inc.

Ravenswood Family Health Center  
Region V Systems  
Renewal Centre  
Richmond Caring Place  
RootSpace  
Sammons Center for the Arts  
Schoenbaum Family Enrichment Center, Inc.  
Scotiabank Dance Centre  
SF LGBT Community Center  
Shaker Family Center  
Simi Valley Alliance for Human Services  
Skyview Terrace  
Sobrato Centers for Nonprofits  
Social Justice Center  
Space With A Soul  
St. Patrick Center  
Storehouse 39-3-10  
Sutton Center  
Swift Center  
Syracuse Center for Peace and Social Justice, Inc.  
Tanglewood Park  
Tannery Arts Center  
The 2100 Building  
The Academy at Lockerbie

The Children's Campus of Kansas City, Inc.  
The Common Roof - Barrie  
The Community Door  
The Family Center  
The Hive - A Community Sustainability Center  
The Hope Center  
The Interchurch Center  
The Nonprofit Center of Boston  
The Purple Crayon Center for Learning and Social Innovation  
The Redpoll Centre  
The Wilson Historic District  
The Women's Building  
Third Street Center  
Thoreau Centers for Sustainability  
Together Center  
UJA Federation of Greater Toronto  
United Way Center  
United Way of Tarrant County  
United Way Service Center of the Bay Area  
Volunteer Hamilton  
Z Space

### **About The NonprofitCenters Network and Tides**

The NonprofitCenters Network (NCN), a program of Tides, is an international community of leaders, from the nonprofit, philanthropic, financial, real estate, and public sectors who are committed to increasing the capacity and effectiveness of the nonprofit sector by developing and maintaining quality nonprofit workspace and operations. In many cases, activists and community organizations do not have the workspace or support services they need to forward their mission, grow their community, or support a larger movement. Volatile real estate markets and limited budgets make it difficult for nonprofits to maintain affordable workspace and retain professional staff. NCN is committed to promoting proven models for green, stable workspace, shared services and programmatic collaborations for nonprofits. These collaborative models allow service providers to focus on their core competencies and create economies of scale while providing innovative long-term solutions to meet communities' pressing needs.

NCN is a peer-learning community of nonprofit visionaries and industry professionals who utilize their real estate expertise for the benefit of social change at local and systemic levels. NCN's community model makes more information and support available to nonprofits at the lowest cost. Customized services enable community leaders to find expertise tailored to their unique needs. NCN offers trusted strategic advice and expertise through conferences and training seminars, technical assistance and consulting, online resource centers, and expert-rich networks.

Tides is a values based, social change platform that leverages individual and institutional leadership and investment to positively impact local and global communities. Tides works at the heart of today's most critical issues, supporting grantees and programs that are core to our country's nonprofit infrastructure and social service delivery. We work in partnership with people whose work confronts issues like global warming, AIDS treatment and prevention, and economic disparity. Bringing together people, resources, and innovation, Tides is a convener and connector for those in our community and beyond.

Tides provides fiscal sponsorship for over 230 groups across the country, operates and supports green nonprofit centers, and grants millions each year to charitable organizations across the globe. Tides actively promotes change toward broadly shared economic opportunity, robust democratic processes and the opportunity to live in a healthy and sustainable environment where human rights are preserved and protected. Founded in 1976, we partner with forward-thinking philanthropists, foundations, activists and organizations to make the world a better place.

### **The NonprofitCenters Network Steering Committee Members**

Gil Alvarado, Sierra Health Foundation \*

Jerry Bilton, Community Service Building \*

Jay Connor, Rubicon Partners LLP \*

Stephanie FallCreek, Fairhill Partners \*

Kim Frentz, Ventura Partners \*

Michael Gathercole, Fairhill Partners

Neel Hajra, NEW

Shelley Hamilton, MarinSpace \*

Rebecca Jasso, United Way of Greater Houston \*

Andy Johnston, Loudoun Cares \*

Anne-Marie Jones, The California Endowment \*

Joanne Keys, Alliance for Sustainable Colorado \*

Glen Newby, New Path \*

Jonathan Spack, Third Sector New England

Amy Tobin, David Brower Center \*

Tim Wintermute, Luella Hannan Memorial Foundation

Margie Zeidler, Urbanspace Property Group \*

Alan Zimlicki, ASZ Associates \*

\* - Current Steering Committee Members

### **About Mt. Auburn Associates**

Mt. Auburn Associates was established in 1985 in Somerville, Massachusetts, to help organizations and municipalities achieve better success in planning and facilitating community development projects. Since that time, we have built a strong reputation as skilled partners in projects that create shared and sustainable economic well-being in communities across the United States.

The firm's services range from [strategic planning](#) for organizations, foundations, and regions to the [evaluation](#) of a full spectrum of workforce, economic development, and community development projects. Over the past decade, Mt. Auburn has been a thought leader and innovator in the [creative economy](#) field, as well as in sector [workforce planning](#) and evaluation, and understanding and organizing industry clusters.

Mt. Auburn's work at the state, regional, county, municipal, and neighborhood levels incorporates an in-depth understanding of both the dynamics of regional development and the way in which sub-regional areas function economically within a larger regional context.