

Demand Assessment

Juneau Multi-tenant Nonprofit Center

Prepared for:

FORAKER GROUP

PRE-DEVELOPMENT PROGRAM

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Juneau • Anchorage

July 2008

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Key Findings

The Foraker Group contracted with the McDowell Group to identify the level of interest among local nonprofit organizations in developing a Juneau Multi-tenant Nonprofit Center (MTNC). Researchers examined demand for shared space and factors that could influence the successful development of this type of facility. Activities included interviews with representatives of 43 local nonprofits and several tenants of existing MTNCs in other communities, as well as secondary research into MTNC operations.

Following are key findings of the research:

LOCAL NONPROFIT INTERVIEWS

- More than 80 percent of Juneau-area nonprofit organizations interviewed expressed interest in relocating to an MTNC. Nearly half expressed a high level of interest.
- Local nonprofit organizations had varying levels of interest in sharing specific types of space, equipment and services with other agencies. Interest was highest for shared conference facilities/training rooms, office/workspace, and business centers.
- The considerations governing choice of physical location for most organizations were cost, downtown location, parking, and accessibility.

BEST PRACTICES

Research into the practices of existing MTNCs indicated that:

- Participants in an MTNC should have both practical and philosophical reasons for wanting their MTNC to succeed. Reduced operating cost and improved access to services are powerful drivers, but MTNC tenants often share a larger vision of cooperation as a force for positive change in the nonprofit sector.
- MTNCs are more likely to be successful if they have the following characteristics:
 - Clear and appropriate mission and objectives that are supported by all tenants
 - Desirable building characteristics
 - Mix of tenants that ensures continuity and builds collaboration

RECOMMENDED NEXT STEPS

Research showed widespread interest in Juneau in the MTNC concept. Two considerations are relevant, however. First, information from Juneau nonprofit organizations was, in most cases, obtained from a single manager, and may not represent the views of the management team (where applicable) or the board of directors of the organization. Second, the degree to which respondents and others from the

organizations are familiar with the goals and practices of MTNCs varies widely. McDowell Group therefore suggests the following next steps:

1. Develop two or three promising ownership/management structure concepts for a Juneau MTNC. Currently, United Way and SAIL have shown the most active interest in pursuing an MTNC in Juneau. It falls to these organizations to spearhead concept development and the other recommendations below. The ownership/management concepts are intended to provide a concrete basis for further discussion with potential tenants or partners. They should, at minimum, identify the following:
 - What entity(ies) (new or existing) are expected to own the building?
 - What entity(ies) are expected to manage building operations and maintenance?
 - What, if anything in addition to basic office space, is the MTNC expected to provide to its members/tenants? This includes common space/facilities and also services, such as technical assistance, public relations, coordination, etc., that may be provided through an anchor tenant, Management Service Organization (MSO), or under contract to an outside provider.
 - What resources (staffing, marketing, legal, financial, dedicated office space, etc.) will be required to support the activities of the MTNC?
 - Where might resources to support the MTNC come from, and what, if anything, will member/tenant organizations be expected to contribute beyond monthly rent, either in money, expertise, or other resources?
2. A key part of the concept-development process is to draft a statement of the mission and central purpose of the MTNC. What is it intended to accomplish? If the purpose includes strengthening the local nonprofit sector, specifically how will that be achieved?
3. Once concepts have been fleshed out in more detail, consider a general mailing to the broad Juneau nonprofit community containing background information on MTNCs, information about the possible goals of a Juneau MTNC, and a request for statements of interest. Providing this additional information and invitation may identify viable candidates not anticipated in the research for this project.
4. Based on the response to the mailing and the other information in this report, develop a pool of likely candidates with whom to examine alternative MTNC concepts in more detail. This process may take some time, as it must involve management teams and boards of directors. To keep the process moving, once basic concepts have been developed, United Way and/or SAIL may elect to begin discussions with individual organizations identified in this report as having a high level of interest.

Some natural groupings may emerge among organizations with similar types of services and target populations. However, based on our research, a primary concern should be identifying those organizations that are most motivated by the potential for cooperation, collaboration and strategic systems change offered by MTNCs, rather than simply assembling organizations with similar types of programs. Another important consideration is the financial stability of the MTNC as a whole, which may benefit from diversity in size, type and funding sources among member organizations.

5. Identify space, location and other facility requirements in consultation with the most promising candidate organizations. This will be an iterative process, as the candidates help define the facility and the facility characteristics, in turn, help identify the best candidates. Ultimately, flexibility in the square footage, layout and mechanical systems associated with individual tenants is likely to be an advantage. Remodeling warehouses and other open, industrial spaces has been one popular approach for MTNCs. However the feasibility of specific options must be analyzed case by case.

If the MTNC concept includes using multiple rental rates for different types of tenants to help support building operations, then choice of location may need to include analysis of commercial demand for space as well.

6. Explore real estate options with the help of a local agent. Develop a preliminary inventory of potential sites and the approximate costs associated with them (see page 18).
7. Explore funding options. A mix of equity and debt will likely be required for the building. Recent experience in Juneau suggests that design/construction costs for new office space might run \$250 to \$300 per square foot, assuming modest site preparation requirements. Costs could be higher if the building includes specialized spaces or a difficult site. Full cost for a new, 20,000 square foot facility might be in the area of \$7 million. In addition, estimate the cost of any planned services to tenants to determine whether operating subsidies may be needed.

Methodology

McDowell Group conducted two types of research activities:

- Interviews with tenants and operators of existing Multi-tenant Nonprofit Centers (MTNCs), and secondary research focusing on the history and best practices of this emerging strategy.
- A series of structured telephone interviews with selected Juneau-area nonprofits to identify potential MTNC tenants and their needs.

For the Juneau organizations, executive interviews were attempted with 70 local nonprofits listed on the Juneau Community Foundation website or otherwise identified to represent a cross-section of the local nonprofit sector. McDowell Group interviewers were careful to ensure that the interviews represented organizations in the following categories:

- Resource/Environmental
- Health/Education/Advocacy
- Youth & Families
- Social Services
- Arts/Humanities
- Sports Associations

Forty-three organizations completed telephone interviews. Nine others declined, saying they had recently relocated, were not interested, were too small, or were otherwise inappropriate for an MTNC. The remaining 18 organizations could not be scheduled within the interview period. The survey included questions about current and projected need for administrative and program space, high-cost equipment, and professional services, as well as other subjects.

Most agencies are currently located in the downtown business district. Agencies vary in size from a small, one-person office to a large organization with a staff of more than one hundred. The average staff-size is between seven and ten employees.

MTNC History and Best Practices

Multi-tenant Nonprofit Centers have existed for about twenty years. The past five to ten years have seen an expansion of interest in and use of the strategy. There are roughly 150 recognized MTNCs nationwide. As they evolve, MTNCs are proving to address a range of needs beyond physical location and are being promoted as a new systems model for the nonprofit sector at large.

The development of the Multi-tenant Nonprofit Center as a conceptual design framework emerged in response to growing demand for nonprofit organizations to provide community services that had traditionally been the responsibility of government agencies. The trend was accelerated by funding constraints that have forced organizations to seek ways to do more with less.

Benefits of a Multi-tenant Nonprofit Center

Potential benefits of locating in an MTNC include:

- Increased financial stability of tenant organizations through affordable rents, space security and consistency in location; low-cost access to resources such as conference/meeting rooms, training facilities, communications infrastructure, and information resources; and reduced costs due to sharing services, bulk supplies, and office equipment.
- Greater visibility in the community for the nonprofit, including increased government and funder awareness; more coverage by media; and incubation of, and support to, small unincorporated community organizations that provide needed services or especially innovative programs.
- Socioeconomic development of neighborhoods and communities through economic impact of workers; tax revenues (from MTNCs held by for-profit entities); attracting other community development and investment; improved security and safety of former underutilized areas; and development or renovation of buildings that are environmentally appropriate (“green buildings”) and provide universal access (ADA accessibility standards).
- Increased operating efficiency through cross-organizational collaboration; higher worker recruitment and retention due to a more supportive and pleasant work environment; enhanced professionalism; reduced duplication of services; low-cost, more convenient access to management and consulting support; informal coaching, mentoring and problem solving; and formal staff development and mutual learning opportunities.
- Changes in the way the nonprofit sector operates; also known as “strategic systems change”, this includes shifts the way agencies and stakeholder groups interact with each other and the community; inclusion of stakeholders; development of leadership and leadership alliances at all levels; constituent partnerships, values identification and clarification, equalization of knowledge, and sustainability.

Summary of Key Factors for Success

Research on MTNCs suggests three critical factors for success:

- Clear and appropriate mission and objectives (for all tenants and for the MTNC as a whole)
- Desirable building characteristics
- A mix of tenants that ensures continuity and builds community

Each of these factors is briefly discussed below.

CLEAR AND APPROPRIATE MISSION AND OBJECTIVES

While a primary goal for development of an MTNC may be cost savings and more effective allocation of resources, MTNCs are not simply a real-estate strategy, but rather a type of operating partnership designed specifically for the tenants involved. In order to work together effectively, it is helpful for tenants to have complementary missions and operating objectives. More importantly, tenants must have a common vision of how the MTNC will work, centered on key concepts such as collaboration, cooperation, sustainability, and the overall health and well-being of the community.

DESIRABLE BUILDING CHARACTERISTICS

In addition to affordable rents, building location and quality are typically central considerations for potential nonprofit tenants. A catalyst for some MTNC formation has been a desire of the tenant organizations to be located in an ecologically “green” building that would be beyond the financial reach of any single tenant. Security may also be an important attribute, depending on the type of nonprofits expected to participate.

MTNCs around the country employ a diverse range of ownership strategies as well as space and tenant policies. Researchers and nonprofit center directors note that there is no single model of ownership or mix of tenants that ensures a successful and financially viable center.

MIX OF TENANTS THAT ENSURES CONTINUITY AND BUILDS COLLABORATION

The mix of tenants is a key component and may represent a delicate balance. As noted, MTNC members must have some similarities. However, an MTNC focused entirely on one branch of the nonprofit sector is more vulnerable to shifts in funder priorities and other operating trends than one with some degree of diversification.

A clear theme is that the participants in an MTNC typically have both practical and philosophical reasons for wanting the MTNC to succeed. Reduced operating cost and improved access to services are powerful drivers, but MTNC tenants must learn to work together in a variety of ways. The glue that holds them together is often a larger vision of cooperation as a force for positive change in the nonprofit sector.

Best Practices

Structural Model

Multi-tenant Nonprofit Centers typically follow a “Business Incubator Model,” which has been used mainly in the private sector to support new and emerging businesses. Typically, a larger, more stable business assists the start-up firms with financial support, organizational development, and capacity building.

Most MTNCs house an anchor tenant or Management Service Organization. Anchor tenants/MSOs, manage the facility but also support the development, growth and sustainability of new and emerging organizations. Especially in larger MTNCs, MSOs have been key to building strategic collaboration and improved organizational effectiveness, and can improve the effectiveness of the local nonprofit sector.

BUSINESS INCUBATOR MODEL

The following information was developed by McDowell Group, in part based on materials from the Centre for Social Innovation. A diagram containing this information is included in the Appendices.

Goals and Objectives – the Goals and Objectives are the core reasons for developing the MTNC, such as:

- Cost savings, redirecting scarce resources
- Collaboration with other nonprofit agencies
- Increased visibility
- Improved (client) services
- Entrepreneurship
- Systems change

Inputs – Inputs are the resources, both internal and external to the agencies, which will contribute to the development of the MTNC, such as:

- Overall vision, mission and purpose
- Community partnerships, reputation, and history in community
- Strong board and management team
- Capacity building efforts through MSOs and philanthropy

Activities – these are the activities carried out to facilitate development of the MTNC. They are implemented by all stakeholders and are the actual work of taking an idea and making it happen:

- Research MTNCs, identify best/promising practices, local interest
- Knowledge harvesting, information dissemination

- Pre-development through business plan, collaborative partnership agreements
- Identify site for shared space and services
- Establish community NP center for social innovators
- Incubation of social mission initiatives

Outputs – these are the direct results or products of the activities conducted to realize the goals and objectives of the model.

- Mapping of MTNC social innovation and best/promising practices
- Knowledge/information sharing, information hub
- Convening across sectors to respond to local need and opportunity
- Shared space/services infrastructure
- Agency consulting/coaching, management support

Outcomes – the outcomes are the longer term desired results of the strategy as a whole, such as:

- Increased agency/sector efficiency and effectiveness
- Infrastructure for new ideas and projects to emerge and be tested
- Ability to mobilize across sectors and increased social capital

Impacts – these are the overall effects the program will have on the nonprofit sector and the community. In most cases, an MTNC is designed to produce a more stable, resilient and vibrant social-mission sector, focused on strategic systems change.

Shared Operating Goals

Tenant organizations typically seek the following goals to some degree:

- Cost savings through reduced rent and operating expenses, sharing equipment and services.
- Access to improved services and facilities that would not otherwise be affordable.
- Capacity building through redirecting scarce resources, networking and collaborating with other agencies, and support of the anchor tenant/management support organization.

Common MTNC Themes

MTNCs often orient themselves around a theme or central strategy. For example:

- Affordable, Stable Space – the most basic, yet least cohesive type of center simply provides a real estate haven for nonprofit organizations. This theme is often focused primarily on office facilities for a single anchor tenant with subtenant leases, and often the center revolves around a high-profile landmark or building.
- Multi-service Centers – provide a one-stop service option for a targeted population.

- Programmatic Theme Centers – house organizations all focused on a common set of issues, such as the environment, the arts, children and families, etc.
- Foundation-created Centers – house a specific group of grantee organizations.
- Community Revitalization and/or Historic Preservation Centers – renovate aging or historic buildings as part of a plan of community economic development.

Direct service organizations, such as those providing substance abuse, mental health and walk-in healthcare services, are somewhat challenging to accommodate unless the MTNC is a Programmatic Theme Center with specially designed facilities.

MTNC Operator Interviews

Representatives of several Multi-tenant Nonprofit Center anchor tenant/MSOs were interviewed to develop a greater understanding of key operational strategies and issues. The organizations below are larger than the Juneau facility is likely to be. However, they were chosen because they represent fully realized examples of the MTNC strategy at work. It should be noted that, in large MTNCs, the role of the anchor tenant as a manager, coordinator, and technical assistance provider is typically well established. While the demands made on anchor organizations in small MTNCs may be proportionately less, the MSO function is regarded as key for small facilities as well as large ones (see page 23 for more detail).

The Nonprofit Centers Network, located in the Thoreau Center for Sustainability in San Francisco, California, is a national membership organization for Multi-tenant Nonprofit Centers and is the only organization of its kind in the United States. There are currently one hundred fifty member organizations, with half fully established and the other half emerging MTNCs. In 2001, The Nonprofit Centers Network held the first national conference for MTNCs, and in 2004 it became a formal membership organization. The Nonprofit Centers Network provides training, education and networking opportunities for creating and managing an MTNC; hosts regional conferences and “webinars”; develops and distributes publications, resource guides and fact sheets; and has an online resource center.

When asked about best/promising practices for Multi-tenant Nonprofit Centers, Executive Director Roxanne Hanson said there are almost as many models as there are MTNCs, and centers are most successful when there is a “champion in the community”. She said there must be a plan for collaboration, because an MTNC is “more than just an office building.” She further emphasized the importance of first identifying and clarifying the vision and mission of the MTNC, and then taking a look at the organizations that would potentially occupy the space to determine the most appropriate fit.

The Thoreau Center for Sustainability, located at the Presidio in San Francisco, California is both Multi-tenant Nonprofit Center and anchor tenant/MSO. Not only is the center that houses over 85 nonprofit organizations called *The Thoreau Center for Sustainability*, but there is a nonprofit by the same name acting as anchor tenant/MSO within the center as well.

Bruce DeMartini, program coordinator for the center, said the facility is used as a model program for the Nonprofit Centers Network in their presentations about successful MTNCs. He said reduced rents are a motivating factor for tenant organizations to collocate, but they also “want to be around like-minded people” who have the same focus. He has recognized a great deal of camaraderie between tenant organizations at the center. He believes anchor tenancy plays a key role in the success of the MTNC through the networking and information sharing that takes place during the monthly brown bag lunches, free trainings, and workshops provided free of charge to all tenants.

Alliance for a Sustainable Colorado's co-founder and program director, Aaron Nelson, established the nonprofit organization in 2004 in an effort to “create a statewide sustainability movement on environmental and social justice policy.” Shortly thereafter, he began development of an MTNC, also named the Alliance for a Sustainable Colorado, which now houses 27 nonprofit organizations, and has plans to build a second facility in the next year.

When asked about the Alliance's role as anchor tenant/MSO, Nelson said, “It is the key strategy and mission of the MTNC to collaborate with others, and offering services to other agencies is very important in a ‘mission-driven’ building.”

Third Sector New England, anchor tenant/MSO for The Nonprofit Center in Boston, was established in 2004. The center operates the only mission-based nonprofit center in the Boston area and is home to “progressive change” organizations focusing on animal rights, environment, healthcare advocacy and other social justice issues. Third Sector New England operates three different programs: 1) The Nonprofit Center, which houses 26 tenants, 2) the Fiscal Sponsorship Program, which serves as a nonprofit finance fund, and 3) the Capacity Building Program, which provides consulting and grant-writing services to all tenants as needed.

Jackie Cefola, program director for Third Sector New England, said the center has been very successful, and six of the ten original tenants grew and had to move. Their growth was attributed to financial savings from co-location that allowed for greater focus on their missions. When asked about best/promising practice models for MTNCs, she said, “everyone must be involved in the operations of the center, and must understand the mission of the MTNC and the nature of the relationships between the agencies.” She also pointed out that while individual tenant organizations may have a different agency mission, there is an understanding between agencies of “why you do the work you do,” such as a focus upon social change.

MTNC Tenant Interviews

Colorado Consumer Health has been a tenant in the Alliance for Sustainable Colorado MTNC since 2005. Dede de Percin, executive director of the agency, reported that tenancy in the center has been a positive experience and has resulted in greater visibility for the agency. The nonprofit has benefited from informal sharing and peer support available from other tenant organizations. When asked about lessons

learned, de Percin said there has to be a strong vision for the building, as well as stakeholder buy-in, for the MTNC to be successful.

Bay Area Ridge Trail Council, in the Thoreau Center for Sustainability in San Francisco, has been renting space from the center since 2002. Martha Benioff, office manager of the nonprofit, said that while the rents cost about the same as the agency's previous location, a significant advantage is that it is a great place to work. It is easier to get staff and volunteers to come due to the pleasant location and work atmosphere. Green building standards and the recycling program were particularly appreciated. She said the location is very positive for morale, particularly the common spaces such as the art galleries and café that are open to all tenants as well as the public.

The Energy Foundation, also located in the Thoreau Center for Sustainability in San Francisco, has been a tenant since 1996. Office Manager Molly Holcomb reported that the nonprofit has grown from six employees to twenty five since becoming a tenant of the MTNC. She attributes this growth to the agency having access to resources that would otherwise not be available, and said the training and technical assistance offered through anchor tenant/MSO brown bag lunch workshops was particularly valuable. Holcomb said being located in the center was inspirational, increased the motivation of agency staff, and established a more relaxed work environment. She further commented that it is "nice to have like-minded people all working for a greater good...there is strength in numbers."

American Council of the Blind of Colorado has been a tenant in the Alliance for Sustainable Colorado since 2005. Executive Director Barbara Boyer reported greater visibility for the agency since relocating, saying many foundations have come to know the building and are very supportive of the MTNC concept. Boyer said, "We've become a family here." When asked about experiences collaborating with other tenant organizations, she said, "They are all incredible people, any concerns or needs, they are right there." She further added that though her agency is the only disability group in the MTNC, and the agency focus is somewhat different than the other tenants, they can always talk about issues and problem-solve with the other tenants. She cited information-sharing as a benefit to collocation, and felt this was particularly beneficial to the emerging organizations at the center.

Chef's Collaborative has been a tenant of The Nonprofit Center in Boston Massachusetts since 2006, and shares common workspace with several other tenant organizations. Development Associate Elizabeth Kennedy reported that collocation has been cost-effective for her agency due to more services being available, including IT services and a business center provided by the MTNC. Kennedy reported that collocation has "gone very well," feels there is a sense of community at the center, and values the support of other organizations. She added that being collocated has demonstrated to her the variety of organizations and the diversity of the people involved in the nonprofit sector. She believes the MTNC concept really "legitimizes the sector." Kennedy expressed appreciation for the training and technical assistance provided by anchor tenant/MSO Third Sector-New England, and highly valued the monthly brown bag lunch workshops on topics such as fundraising, donor cultivation, professional management, and yoga.

Juneau Nonprofit Interview Summary

Demand for a Multi-tenant Nonprofit Center

Thirty-seven organizations (86 percent) of local nonprofit organizations that participated in the survey indicated interest in relocating to an MTNC if one were developed in the Juneau area. Twenty organizations, (44 percent) showed a high level of interest. The tables show the number of organizations responding in each category.

How interested do you think your organization would be in relocating to a Multi-tenant Nonprofit Center here in Juneau?

	# Organizations Base=43
Very interested	20
Interested	11
Somewhat interested	6
Not interested	6

Nearly three quarters of the organizations surveyed also said they would be interested in sharing services through an MTNC if one were developed.

How interested do you think your organization would be in sharing services with other nonprofits without relocating to an MTNC?

	# Organizations Base=43
Very interested	12
Interested	17
Somewhat interested	3
Not interested	10
Don't know	1

Interest was highest in the following resources: meeting/conference/training rooms, offices/workspace, business center, IT/audio-visual services, receptionist/support staff, and advocacy/community outreach.

Also of interest were grant writing/fundraising services, volunteer training/coordination, resource library, a common reception/waiting area, and security service.

Half of the respondents were interested in sharing services such as staff training/mentoring, accounting services, or program/staff supervision as well as part of a relocation. Local interview results were consistent with the information shared by existing MTNC operators with regard to the structure of their centers and the preferences and needs of the tenant organizations.

If your organization were to relocate to an MTNC, which of the following shared resources would it be important for the center to include?

Common/Shared Resources	# Organizations Base=43
Meeting/conference/training rooms	42
Offices/Workspace	41
Business center (copier/printer/fax)	38
IT, Audio/visual services	35
Receptionist/Support staff	34
Advocacy/community outreach	33
Grant writing/fundraising services	30
Resource Library	30
Volunteer training/coordination	28
Common reception/waiting area	28
Security service	24
Staff training/mentoring	22
Accounting services	20
Program/staff supervision	9

Considerations and Constraints

Nonprofits were asked what considerations or constraints they have when choosing a physical location in the Juneau area. The most commonly mentioned factors were cost, downtown location, parking and accessibility.

Responses included:

- Cost
- Downtown location
- Universal accessibility
- Close to capital/legislature/court building
- Visibility
- Parking
- Conference/meeting room availability
- Storage space
- Pleasant atmosphere
- Evening/weekend access
- Security.

Nonprofits were also asked if they had any concerns about their current location. The most commonly mentioned concerns were cost, lack of accessibility and/or parking, property management issues, and lack of space.

Responses included:

- No long term stability, program growing
- Too small, lack of space
- Cost-too expensive
- Parking
- Not ADA accessible
- No visibility
- Property management issues
- Small, crowded and noisy
- Security
- Don't have a location

When asked about concerns or reservations they might have about relocating to an MTNC, the most commonly mentioned concerns were cost, location, confidentiality, and property management issues. Few agencies were concerned about the mix of tenants, collaboration with other agencies, sharing space, equipment or services, or unity of mission.

Responses included:

- Competition for funding and other resources with other tenant organizations
- Cost and stability of space and services
- Confidentiality, for example, medical providers are subject to stringent Health Insurance Portability and Accountability Act (HIPAA) requirements
- Location
- Potential instability of other tenants and basic covenants about agency conduct
- How to prioritize and share staff, resources
- Property management, including flexibility with hours/space availability
- Clarity of expectations, coordination of shared services, decision-making, compatibility with other agencies
- Collaboration with other agencies while maintaining separate agency identity
- Program compatibility, including unity of mission, alignment of purpose
- Coordinating range of services, conflict in needs, program oversight conflicts
- Size of agency, difficult to move

Summary and Conclusions

Local nonprofit organizations showed significant interest in an MTNC. In addition, there is a general need for affordable space that is accessible to the community, functional and comfortable for those who work within it. Other needs include access to office equipment and services that would result in greater capacity, efficiency and professionalism to the agencies and the sector as a whole.

The Juneau nonprofit community historically has been characterized by formal and informal collaboration. Many local nonprofits indicated they already work together in various ways. They are interested in the concept of an MTNC due to the potential for even greater cooperation and collaboration, the opportunity to learn from others in the sector, further grow and develop as an agency, and experience the synergy that can result from the closer proximity to other nonprofits. The culture of cooperation among local nonprofits will be an asset to developing an MTNC.

The idea of developing an MTNC appears timely for Juneau. Faced with ever-increasing rents and operating expenses, redundant infrastructure, duplication of services, competition for space and funding, and isolation from other agencies and centers of power and influence, local nonprofits indicate they are ready for the kind of strategic systems change that could result from development of a Juneau MTNC.

The following Juneau organizations may be candidates for MTNC tenancy based on their interview responses:

<i>Association for the Education of Young Children</i>	<i>Juneau Raptor Center</i>
<i>Alaska Legal Services Corporation</i>	<i>Juneau Soccer Club</i>
<i>Alaska Trollers Association</i>	<i>Juneau Trail Mix</i>
<i>American Red Cross</i>	<i>Juneau Youth Football League</i>
<i>Boy Scouts of America</i>	<i>Nature Conservancy</i>
<i>Bartlett Regional Hospital Foundation</i>	<i>NCADD</i>
<i>Disability Law Center</i>	<i>REACH</i>
<i>Discovery Southeast</i>	<i>Rivers without Borders</i>
<i>Earth Justice</i>	<i>SAGA</i>
<i>Gastineau Channel Little League</i>	<i>SEAtails</i>
<i>Gastineau Human Services</i>	<i>Southeast Alaska Independent Living (SAIL)</i>
<i>Glacier Swim Club</i>	<i>Southeast Conference</i>
<i>HOPE Community Resources</i>	<i>Southeast Alaska Conservation Council</i>
<i>Housing First</i>	<i>Southeast Alaska Land Trust</i>
<i>Juneau Community Foundation</i>	<i>United Fishermen of Alaska</i>
	<i>United Way of Southeast Alaska</i>

The following organizations said they were not likely to participate in an MTNC in the foreseeable future, either because they have moved recently or see no need to do so:

- Boys and Girls Club – expressed interest but requires a facility large enough to accommodate 50-70 youth daily with access to outdoor recreational/playground area

- Cancer Connection – expressed interest but will be moving into the new Juneau Birthing Center as a tenant when the building is completed summer of 2008
- Catholic Community Services – expressed interest in the concept but is very settled in present location and operates several programs as an “agency without walls”, i.e. home-based services
- Gastineau Channel Historical Society – somewhat interested, but primary operation is based out of Silverbow Basin mining site
- JAMHI – Expressed interest but administrative offices need to be located near residential housing of clients
- Juneau Dance Unlimited – expressed interest but recently moved into a new building and requires a lot of open space for dance studio
- Juneau Youth Wrestling Club – somewhat interested in services, but needs large open space for youth members to practice
- SAGA – expressed interest in the concept but is currently negotiating with the city to secure a six-acre parcel of land behind the hospital to develop a new facility that can house 50-100 youth corps employees
- SERRC – interested but is very settled in present downtown location
- LOVE, Inc. – interested but has arrangements with several local churches for various space needs and is not actively looking for centralized space

The following organizations either declined to be interviewed or said they were unlikely to participate in an MTNC in the near future:

- Salvation Army
- Juneau Folk Festival
- Friends of Recycling
- Eaglecrest Foundation
- Girl Scouts of America
- Down Syndrome Congress
- Juneau Freewheelers
- Marine Exchange of Alaska
- Juneau Family Birth Center
- Juneau Pro Choice
- Oceana
- Alaska Municipal League

LOCATION

Selection of the MTNC must take into consideration accessibility to the community, both in relation to population centers and proximity to public transportation. Optimal accessibility will encourage participation from all actors in the community – the populations being served, nonprofit workforce, and cross-sector stakeholders from business and government organizations.

About half the respondents prefer to be located in the downtown business district. The remainder prefer the Salmon Creek area or the Mendenhall Valley or have no preference.

Due to the limited availability of vacant land or existing buildings in the Juneau area, it may be more feasible for several smaller MTNCs to be established. With this in mind, the tenant mix could be focused upon a programmatic theme center, with agencies being “matched” with other agencies of a similar mission and focus. No particular tenant mixes have been shown to be more successful than others.

The location of the MTNC should promote visibility of the center as well as the organizations housed within it, and should provide a comfortable, environmentally-friendly, energy efficient workspace that is welcoming to the entire community. This will establish a standard of inclusion, in that the focus will not be entirely on the tenant organizations, but on the MTNC as a whole. This will likely increase usage, importance and legitimacy of the center to the entire community.

Parking was a concern expressed by the majority of the local nonprofits, and this should be taken into consideration in the location and design of the MTNC. Parking space for both vehicles and bicycles is desired.

The table shows location preferences given by organizations interviewed:

Downtown Business District	Central Location	No Preference (other)
Alaska Legal Services Corp.	AEYC	Big Brothers/Big Sisters
Alaska Municipal League	American Red Cross	Boy Scouts of America
Alaska Trollers Association	JAMHI	BRH Foundation
Disability Law Center	LOVE, Inc	Discovery Southeast
Earth Justice	Oceana	Gastineau Human Services (near existing facility)
Glacier Swim Club	SAIL	Housing First
Juneau Community Foundation	United Way of SE AK	Juneau Raptor Center
Juneau Convention & Visitors Bureau		Juneau Soccer Club
NCADD		Juneau Trail Mix
REACH		Juneau Youth Football League
Rivers without Borders		Nature Conservancy
Salvation Army		Southeast Alaska Land Trust
SEACC		
SeaTrails		
Southeast Conference		
United Fishermen of Alaska		

REAL ESTATE OPTIONS

Preliminary research into potential buildings or vacant land for an MTNC was very limited and did not yield any clear opportunities. The Juneau Multiple Listing System does not have current listings for purchase or lease of greater than 2600 sq. ft. This was confirmed by interview with a local realtor. A few locations were suggested during this project but not evaluated, including:

1. The former Capital Chevrolet Building near Western Auto on Glacier Highway
2. A vacant lot on Channel Drive, owned by Gross Alaska, Inc., which is 89,289 sq ft (2 acres)
3. A vacant lot, approximately 3-5 acres, between the Public Health Center at 3412 Glacier Highway and JAMHI at 3406 Glacier Highway, owned by Salmon Falls Park, LLC in Anchorage
4. A vacant lot at 7651 Glacier Highway (adjacent to Gastineau Human Services), seven acres owned by Larry and Penny Miller of Juneau
5. Two metal buildings located on Channel Drive next to the GCI Building – current occupants are unknown but both buildings are at least ten thousand square feet with parking
6. Space in one of the three large malls (Airport, Nugget, Mendenhall)

Heather Marlow, lands manager for the CBJ Lands and Resources Division, said the city does not have any commercial lots available for lease or purchase. In addition, the city does not offer commercial sales or leases at a reduced rate due to their limited stock and current market value for commercial land in Juneau. However, if an agreement for lease or purchase was established with the city for a parcel, a request could be made to the CBJ Assembly for partial subsidy of the purchase or lease.

Further consideration of a Juneau MTNC should include development of an inventory of potential sites and the approximate costs associated with them. Assistance from a local real estate agent is recommended.

COST AND FINANCING

Acquisition, development and renovation costs of an MTNC can be high. Exploring several site options, such as one larger MTNC site versus multiple smaller MTNC sites, is recommended. Purchasing an existing structure may be more efficient than new construction due to costs in the local market.

Several different financing options may be explored, such as capital campaigns, conventional loans, tax exempt bonds, tax credits and incentives, grants, foundation grants and loans, and philanthropic donations.

SELECTION OF TENANT ORGANIZATIONS

There are no models or best practices for the ideal number or type of tenant organizations that should be collocated in an MTNC to provide maximum benefits. However, financially stable MTNCs tend to have a more tenants and slightly higher average rents than less stable MTNCs. This experience may motivate MTNC developers in the Juneau area toward a selection of more well-established organizations, which could provide greater financial stability.

However, to have the most long-term effect on the local nonprofit sector, a mix of established and emerging organizations may be preferable. For example, the Nonprofit Enterprise at Work, Inc. of Ann Arbor, Michigan has a restrictive covenant that requires that the mix of tenants include 10 percent organizations that are less than 5 years old and in need of “incubating.”

Another selection consideration is whether the MTNC will have a theme, i.e., Affordable/Stable Space, Multi-service Center, Programmatic Theme Center, Foundation-created Center, Community Economic Development and/or Historic Preservation Center, or some other theme that helps unite and motivate tenants with common goals and priorities for the MTNC. McDowell Group notes from its research that it is not necessary, nor perhaps even advisable, to have all tenants come from the same sector (Programmatic Theme).

Finally, an MTNC designed to house primarily direct service organizations may face special challenges with respect to security, confidentiality/privacy, and the effect of service populations on the overall ambiance

and functionality of the work environment. These considerations should be addressed during tenant selection and design of offices and workspace (following).

OFFICES AND WORK SPACE

Most local nonprofits indicated that while they were interested in relocating to an MTNC, they preferred to maintain private office space. A few organizations indicated they would be willing to share workspace, but these were small organizations that do not require much work area beyond a desk, storage for documents and files, and occasional access to meeting rooms and a business center.

Meeting/conference/training rooms were of significant interest, and several respondents said they find it difficult to secure needed space on a regular basis. Available space is often inadequate in size and amenities such as teleconference capability. The MTNC design should consider demand by outside agencies as well as tenants.

Because several agencies indicated concerns about confidentiality, it may be important to consider a building with several levels and/or private entrances to accommodate client privacy needs.

Many of the local respondents indicated a need for storage space, reporting they had to use off-site rented storage space for archived files, office supplies and equipment, and that this presented additional cost and inconvenience due to lack of accessibility to these items when needed.

Interviews with existing MTNCs suggest that attention be paid to the quality of the workspace. While minimizing rent is a key concern of prospective tenants, long-term success for the facility will depend largely on the comfort and suitability of the spaces.

EQUIPMENT

Access to a centrally-located business center, with copiers, printers, fax machine and other necessary office equipment, was highly desired by local nonprofits. This is a feature present in all MTNCs interviewed. While some agencies may choose to maintain a private fax machine for confidentiality reasons, and printers for convenience, a business center will reduce overall operating costs for most tenant organizations.

SERVICES

Three-quarters of the local nonprofits expressed interest in IT/Audio-visual services, and indicated primary interest in the IT services. While a few respondents reported they had internal staff for this purpose, most respondents were interested in having an IT specialist available for system setup, troubleshooting, maintenance, and potentially website design and maintenance.

Two-thirds of the respondents indicated an interest in Grant Writing/Fundraising Services. However, others said they felt significant knowledge and experience within the organization was necessary for effective

grant writing and that they would prefer to continue doing this on their own. This is another service that may best be provided as an option or through the anchor tenant/MSO training and technical assistance.

Varying interest was expressed in Accounting Services. Some respondents indicated they would not feel comfortable with someone else handling their books, managing their money, and having access to confidential financial information. Training and technical assistance in nonprofit accounting and bookkeeping might be a less threatening way to improve these organizations' financial management capacity. However, it is also true that accountants routinely handle confidential financial affairs for multiple clients. Some potential users may simply need more information about how shared accounting/bookkeeping services would work.

Very little interest was expressed in Program/Staff supervision or Staff training/mentoring. However, there may be a role for anchor tenant/MSO training/technical assistance, rather than direct provision of services.

ANCHOR TENANCY/MANAGEMENT SUPPORT

Key to the success of MTNCs is often the presence of an appropriate agency to serve as the anchor tenant/management support organization. Desirable anchor tenants are willing and able to provide training and support to tenant organizations on a regular basis. The anchor tenant/MSO is, in a matter of speaking, the glue that will hold everything together. They facilitate interactions with tenant organizations that foster an atmosphere of collaboration, cooperation, support and mutual respect.

The ideal anchor tenant will be a well-established organization that has relationships with other nonprofit agencies and a history of effective management practices. In larger MTNCs, experience providing supportive services to other organizations in the nonprofit sector is proven desirable, including technical assistance for accounting/business finance, grant writing/fundraising, organizational development/business management, human resources management, advocacy/community outreach, and coalition building.

United Way of Southeast Alaska (UWSEAK) President Brenda Hewitt indicated that she was very familiar with the concept of an MTNC and was aware of the importance of an anchor tenant/MSO. UWSEAK has fostered collaboration by hosting the Nonprofit Leadership Council since its inception in 2004. In January 2008 the Leadership Council amplified its sector-building efforts by initiating a learning agenda. The monthly trainings are facilitated by local nonprofit leaders who develop presentations for the group on a subject of interest related to the nonprofit sector. Trainings have covered topics such as employee management, succession planning, and financial management, and the program has been successful in attracting participants thus far.

In a Juneau MTNC, the anchor-tenant role might be supported through service contracts with the Foraker Group or other sources of technical expertise.

Appendix 1: Organizations Interviewed

The table shows the organizations interviewed for this project. "X" indicates the facilities/services of most interest to each organization:

Local Nonprofit Interest in MTNC Space/Equipment/Services

Organization	Interest Level*	Offices/Workspace	Receptionist/Support staff	Conference/Training Rms	Copier, Printer, Fax	Common reception/kitchen	IT, Audio-Visual services	Security service	Program/staff supervision	Staff training/mentoring	Grant writing/fundraising	Accounting services	Volunteer training/coord.	Advocacy/Comm. Outreach	Resource Library
AEYC	V	X	X	X	X	X	X	X		X	X	X	X	X	X
Alaska Legal Services Corporation	V	X	X	X	X	X	X	X		X	X		X	X	X
Alaska Trollers Association	V	X	X	X	X	X	X		X	X	X	X	X	X	
American Red Cross	V	X	X	X	X	X	X				X		X	X	X
Boys and Girls Club	V	X	X	X	X	X	X	X	X	X			X	X	X
BRH Foundation	V	X	X	X	X	X	X	X		X	X		X	X	X
Earth Justice	V	X	X	X	X								X		X
Glacier Swim Club	V	X	X	X	X		X	X		X	X	X	X	X	X
HOPE Community Resources	V	X	X	X	X	X	X	X		X	X				X
Housing First	V	X	X	X	X	X	X			X	X	X			X
Juneau Trail Mix	V	X	X	X			X			X	X	X	X	X	X
Juneau Youth Football League	V	X		X	X		X				X	X			
LOVE, Inc	V	X	X	X	X	X	X	X	X	X	X	X	X	X	X
National Council Alcoholism/Drug Dep.	V	X	X	X		X	X		X	X	X	X		X	X
REACH	V	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Rivers without Borders	V	X	X	X	X	X	X	X					X		
SeaTrails	V	X		X	X						X	X		X	
SE Alaska Independent Living (SAIL)	V	X	X	X	X	X	X	X			X		X	X	X

Organization	Interest Level*	Offices/Workspace	Receptionist/Support staff	Conference/Training Rms	Copier, Printer, Fax	Common reception/kitchen	IT, Audio-Visual services	Security service	Program/staff supervision	Staff training/mentoring	Grant writing/fundraising	Accounting services	Volunteer training/coord.	Advocacy/Comm. Outreach	Resource Library
Big Brothers/Big Sisters	I	X	X	X	X	X	X	X						X	X
Boy Scouts of America	I	X	X	X	X		X							X	X
Discovery Southeast	I	X	X	X	X	X	X		X	X	X	X	X	X	X
Gastineau Human Services	I	X		X	X	X	X				X		X	X	X
JAMHI	I	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Juneau Community Foundation	I	X		X	X	X	X					X	X	X	X
Juneau Convention and Visitors Bureau	I	X	X	X	X		X	X			X				
SAGA	I	X	X	X	X	X	X	X		X	X	X	X	X	X
Southeast Alaska Conservation Council	I	X	X	X	X		X							X	
Southeast Alaska Land Trust	I	X		X		X	X	X					X		
Disability Law Center	S	X	X	X		X	X						X		
Gastineau Channel Historical Society	S			X							X	X	X	X	
Juneau Dance Unlimited	S	X	X	X	X	X	X	X		X	X		X	X	X
Juneau Soccer Club	S	X	X	X	X	X		X	X	X	X	X	X	X	X
Nature Conservancy	S	X	X	X	X	X	X	X		X	X				
United Fishermen of Alaska	S						X	X			X	X	X	X	X
Alaska Municipal League	N	X	X	X	X		X	X						X	
Cancer Connection	N	X	X	X	X	X	X			X	X		X		X
Catholic Community Services	N	X		X	X			X							X
Juneau Youth Wrestling Club	N	X		X	X						X	X		X	
Oceana	N	X		X	X		X				X		X	X	X
Salvation Army	N	X	X		X	X		X						X	
SERRC	N	X	X	X	X	X	X	X		X		X		X	X

* Interest Level: V = Very Interested; I = Interested; S = Somewhat Interested; N = Not Interested
Note that some organizations that expressed interest in the concept of an MTNC removed themselves from immediate consideration for other reasons.

Appendix 2: MTNC Logic Model Diagram

A copy of the MTNC Logic Model is included on the following page. This information was adapted by McDowell Group from information developed by the Centre for Social Innovation.

Multi-tenant Nonprofit Center Business Incubator Logic Model

