

Sacramento Business Journal - December 15, 2008  
<http://sacramento.bizjournals.com/sacramento/stories/2008/12/15/story8.html>

## SACRAMENTO BUSINESS JOURNAL

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Friday, December 12, 2008

# Sierra to give nonprofits a new foundation

Innovation center will serve 10 to 14 organizations, sharing support

Sacramento Business Journal - by [Kelly Johnson](#) Staff writer

**Sierra Health Foundation** is designing a center to allow nonprofits to save money, spur creativity and better serve their clients by sharing space, resources and ideas.

The **Nonprofit Innovation Center**, which will accommodate 10 to 14 nonprofits, is scheduled to open early next year on Garden Highway in Sacramento.

The 12,500-square-foot center is expected to help raise the nonprofits' profile and visibility, both through clustering and by locating near two big-name local nonprofits — Sierra Health Foundation and **The California Endowment**.

With a better work environment — nonprofits aren't known for having the fanciest, cushiest digs — the nonprofits' employee turnover could shrink.

Sierra Health Foundation's multi-tenant nonprofit center follows a growing national trend of sharing space among nonprofits. A large San Francisco center that was one of the pioneers in the movement and advised Sacramento on its center knows of about 150 multi-tenant centers nationwide.

Sierra Health Foundation has six commitments for the space and other deals in the works. Three nonprofits are on a waiting list.

"We are full," said Chet Hewitt, foundation executive director.

He said the foundation has three options for expanding the program. It could create another shared-space center in another building. The foundation could help other groups form their own shared-space center. Or Sierra Health and other groups could jointly form and operate additional nonprofit centers.

"I think it's going to be a great asset to the Sacramento area," said China Brotsky, managing director of the **Tides Shared Spaces** center in San Francisco.

Operating since 1996, Tides provides space to 70 nonprofits in 150,000 square feet.

### Sharing space and expenses

Sierra Health Foundation owns two buildings; it occupies one and had been leasing the other to businesses. As tenants gradually moved out, Hewitt decided his foundation had an opportunity to deepen the alignment of the property with its mission to help nonprofits and turn that building into the new center.

Sierra Health is a private foundation that invests in efforts that improve health and quality of life in Northern California. In its 23 years, the organization has awarded more than \$75 million in cash and in-kind grants.

"How do you do well and good at the same time?" he asked. If the nonprofits that provide direct services grow stronger, then they can make better use of the grants the foundation gives them.

Hewitt and his board decided to re-design the empty building to accommodate 10 semi-custom suites, a shared workroom and four shared meeting rooms. The foundation targeted nonprofits whose work fit with its mission of supporting health-related activities.



Dennis McCoy | Sacramento Business Journal

Chet Hewitt, executive director of Sierra Health Foundation, stands in the organization's new Nonprofit Innovation Center. Todd Gaither of DesCor Builders installs framing in a suite.

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The nonprofits will share a receptionist and technology, such as high-speed Internet, and buy paper and other supplies in bulk.

"You get some economies of scale" at a critical time when government funding and donations are shrinking, Hewitt said. The savings could help some nonprofits "survive intact" without having to lay off workers.

Within the open environment, nonprofits can share knowledge and experience, which Hewitt hopes will spur innovation and creativity in serving clients. That, he said, will allow donors to get the "maximum bang for the buck."

The center will provide **ONTRACK** Program Resources Inc. the opportunity to share ideas and strategies with other nonprofits, but also to "solidify our team," program services manager Peggy Thomas said. The nonprofit, which provides free training and technical assistance for domestic violence shelters that serve women with mental health and substance abuse problems, has its staff at two locations.

"We've never all been in one place," she said.

'Effective collaboration'

The shared-space center will allow **San Joaquin Community Data Co-op**, a Stockton research and evaluation organization that helps community groups, government and schools, expand its services to Sacramento.

"It was the perfect opportunity to grow slowly at the same time as being part of this dynamic enterprise," executive director Campbell Bullock said. He'll split his time between Sacramento and Stockton.

The center "will allow for effective collaboration and innovative approaches to projects and grants," he said. He called it a "once-in-a-lifetime opportunity."

"You couldn't wave the wand and get something better," he said.

Hewitt disclosed five of the six nonprofits that have committed to the building. In addition to San Joaquin Community Data Co-op and OnTrack, they are:

- [California Family Resources](#), an association of organizations and individuals that serve children and families
- [Center for Multicultural Cooperation](#), which connects cultures, generations and communities through technology and digital media
- The city of Sacramento's Access Leisure recreation program for people with disabilities and its Cover the Kids program that works to obtain health insurance for children in Sacramento County

The Nonprofit Innovation Center's potential challenges include finding ways for everyone to get along in this shared space. These can be mundane conflicts such as opposing views about leaving coffee cups in the sink, or assigning responsibilities for ordering paper.

"Those things can lead to tensions that can lead to tensions between entities," Hewitt said. "We all have a tendency to want to do things our way."

Sierra Health Foundation will work with the nonprofits to minimize and resolve conflicts, he said.

Brotsky of Tides expects multi-tenant nonprofit centers will continue to grow in popularity. She has about 150 in her database nationwide, and trains other how to create them. The centers have been catching on in the past four or five years, she said.

Some are created and run by one nonprofit, similar to Sierra Health Foundation and Tides. In others, a group of nonprofits creates a new nonprofit to own and run a center. Most tend to range in size from 10,000 to 40,000 square feet, but some are as large as 400,000 square feet, she said.

Brotsky said other groups in Sacramento are considering their own shared-space centers. Her own organization is considering creating one in downtown Sacramento that would provide

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permanent and flex space to nonprofits that are involved in creating state government policies.

*[kjohnson@bizjournals.com](mailto:kjohnson@bizjournals.com) / 916-558-7860*

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