

## Shambhala Mountain Center

### Turning the Flower Outwards: 1998-2003

- In 1996 the **Sakyong announced** that the Shambhala Mountain expansion project would be **the major capital initiative** of our sangha during the late 90s and beyond. He made this clear to the Shambhala board of directors in the most direct and unequivocal way. He said we should “die trying” rather than sacrifice his father’s vision for this place.
- The Sakyong asked Mr. McKeever to lead an initiative to resurrect the **Shambhala Trust** at least in part to help fund this. Between the time Mr. Waltcher joined Shambhala Mountain Center in January 1998 and the end of 2001, the new Trust provided \$1,000,000 in grant funds to complete The Great Stupa and fund the “RMSC Expansion Project”.
- In addition, since 1998, the Center has raised **over \$6 million in gifts** and over \$500,000 in additional unfunded pledges. These funds were used to complete The Great Stupa and to construct the Shambhala Mountain campus, develop programs, a management team and the operational infrastructure to support the expanded campus.
- Since the expansion project began, our development staff has consistently approached their job with a **view of richness**, generosity and genuine appreciation. We have studied a “collaborative” approach that views contributors as investors, stewards & heroes.
- Beginning with the ground breaking of the Sacred Studies Hall in July 1998, we have **completed construction** of 35,000 square feet of new and renovated facilities. We also purchased 40 acres of land, built a 108,000 gallon water storage tank, and a water distribution system engineered to eventually support a small town. As of December 2002, our audited financial statements show **fixed assets** (valued at cost) of \$9,125,000. This does not include the value of our 600 acres of land or of The Great Stupa (carried on the books of Shambhala International).
- In the fall of 2000 the Center completed a \$3.5 million tax exempt **bond issue**. This loan provided funds to build the Shambhala Lodge and the water system that supports it, in time for the Consecration of The Great Stupa in 2001.
- This loan has a **tax exempt rate**. For the last year this rate has floated at approximately 1% - less than the rate of inflation.
- This financing had the **full support of the Sakyong**, the Shambhala Board, Trust and Executive Council. The leadership and community in Boulder also reviewed it extensively.
- This loan was first contemplated, and then executed, because the **scope of the Shambhala Mountain project** was so large that completing the campus solely using donated funds was impossible. In particular, the Shambhala Lodge building (\$2 million

cost) and the water system (\$850,000 cost) had to be built at one time in order to make sense. This large capital need was beyond our fundraising capabilities. Phasing the building and infrastructure would have led to significantly higher costs and a much longer time to completion. In addition to the higher costs of delay, the opportunity cost in lost revenues would also have been significant.

- The Lodge has created a significant **new cash flow** for the Center – because of the ability to charge higher rates for high quality rooms. This revenue is higher than the annual principal plus interest paid since the bond was issued.
- Since completing the financing, Shambhala Mountain has made every **principal and interest payment** called for by the loan documents and has complied with all other loan covenants.
- A Shambhala Mountain board member has put up cash **collateral** that would be called on first in the case of a payment default. This collateral will be in place for two more years as the Center continues to stabilize its operations at a higher level that safely supports the debt service on the bond.
- In the winter of 2002, **Shambhala International** provided approximately \$430,000 to Shambhala Mountain Center. This **capital infusion** was used primarily to construct two buildings housing Maitri Practice rooms (designed by Chogyam Trungpa Rinpoche). Another \$235,000 was used to repay a bridge loan from a sangha member that supported the Center's capital construction effort in 2001. This investment helped keep the Center growing during a very tough economic environment and enabled us to complete a lease agreement with Naropa University to move its residential Maitri Program to Shambhala Mountain.
- Since 2000, Shambhala Mountain Center has increased its program revenues, in **“participant bed nights”** from approximately 16,000 paid nights to 25,000 paid nights, even though revenues from the Seminary programs that traditionally were the primary source of revenues have been spread to the rest of the practice centers resulting in dramatic revenue losses for the Center.
- In 2003, the Center will generate nearly \$2,000,000 in **program related revenues**, up by over 100% since 1998.
- Shambhala Mountain will raise over \$750,000 in **donations in 2003**. These funds support The Great Stupa (ongoing artwork, maintenance & hospitality), our capital budget (maintenance & improvements), a new staff housing development, our land stewardship program, scholarships, and operations.
- In 2003, our **gift store** will produce over \$130,000 in profits. This is a 30% increase over 2002. We project on-site retail profits of \$150,000 in 2004 and will expand with an on-line store launch.

- Shambhala Mountain will pay \$125,000 in **principal payments** on the bond issue in 2004, \$130,000 in 2005 and \$140,000 in 2006. Although the balance of the bond issue is over \$3 million, this balance is being paid in reasonable annual payments.
- Shambhala Mountain provides more direct **financial support for SI** than any other entity in the mandala. In 2003 the Center has transferred \$60,000 US to support SI, plus profits from SI programs such as Seminary and Warrior's Assembly, plus \$20,000 in donated funds (the SI share from a joint fundraiser at Shambhala Mountain in 2001 that was collected by our development office). Total direct support in 2003 is over \$100,000 USD.
- The Center has built a **professional management team** made up almost exclusively of dedicated sangha members. In 2003 we expanded this group and invested over \$200,000 in improving staff housing.
- Shambhala Mountain has an increasingly **sophisticated marketing program** with a projected budget of \$160,000 in 2004. In accord with our mid-term strategy, we are successfully building brand awareness as "the buddhist retreat center".
- The Center opened **The Great Stupa** to 10,000 people a year since 2001. Thus it is helping to spread respect for Shambhala vision and for the Buddhist teachings throughout the world.
- With its increased capacity and strong marketing program, Shambhala Mountain has become a major **gateway for students of "Shambhala Buddhism"**, for new Shambhala sangha members, and for old students interested in group retreats with many of the best Tibetan teachers and our Acharyas.
- Shambhala Mountain has become the residential campus for many **Naropa University** programs, including Maitri, faculty retreats, MA in Contemplative Education, Rigpa hospice and others.
- The Center has also become a home for **other Buddhist lineages**, including Vipassana retreats and Zen sessins; it has become a resource for other contemplative traditions as well – in keeping with the vision of the two Sakyongs.
- As a part of the **front range region**, Shambhala Mountain offers significant resources to the other regional centers. These include marketing support from our Boulder office and the presence of Bill McKeever (our 2nd teacher in residence), who we have asked to play a role as a senior regional teacher in Colorado. A member of the Denver Shambhala Center recently said that over 1/2 of the people attending an open house had come because of the impact of visiting The Great Stupa.
- Shambhala Mountain has developed a successful **work/study program** that has 10-20 new students in each fall and spring semester. In the summer many more new students

get a deep introduction to the teachings here. Many of these people will move on to become leaders of our community in urban sanghas around the world. Former Shambhala Mountain staff members currently serve as mid-level managers at Shambhala's other practice centers.

- As of October 2003, Shambhala Mountain has a **65 person resident community**, up from 17 in the fall of 2000 when Mr. Waltcher assumed the position of Executive Director. This community is dedicated to exploring and manifesting the vision of organization and society expressed in the Sakyong's recent treatise.
- In September, 2003, the Center opened the **Shambhala Botanic Gardens**, with the support of the Denver Botanic Gardens, the major botanic institution in our region. The gardens provide another gateway for the front-range population, and support our vision of land stewardship. We have invested \$150,000 directly into our land during the last two years, including gardens, forestry, reclamation, trails & organic farming.
- Shambhala Mountain Center is a genuine example of a **socially responsible business**, using our resources to create enlightened society and adopting a "Fifty Point Conservation Plan" that promotes sustainable stewardship of our limited resources. The Center leads the Shambhala sangha in "**turning the flower outward.**"