

# STARTING A MERCHANTS/PROPERTY OWNERS ASSOCIATION FOR OLD TOWN LENEXA

Let's get started.....

# Old Town Study Recommendation

One of the recommended implementation steps from the recently accepted Old Town study was the establishment of a merchants/property owners association to serve as an organizing and communications tool. Below is the complete list of recommendations from the study.

	IMPLEMENTATION STEPS	RELATED GOALS	TIMEFRAME	RESPONSIBILITY
1	Establish a merchants' and property owners' organization to serve as an organizing and communication tool	Appearance, Destination / Events	Short Term	Business & Property owners
2	Improve rear parking lot to the north of the shops	Appearance, Connectivity Destination / Events	Short Term	City
3	Consider the relocation of Santa Fe Trail Drive during a major roadway or parking lot repair in the area	Appearance, Connectivity Destination / Events	Long Term	City
4	Utilize updated Design Guidelines to improve the rear facades of retail stores	Appearance	Short Term	Property owners
5	Include businesses west of Pflumm Road and South of railroad in merchants' organization	Appearance, Connectivity Destination / Events	Short Term	Business owners
6	Undertake a "branding" study to develop a logo or brand for the district and install signage at key gateway locations to guide people to Old Town	Appearance, Destination / Events	Short Term	Partnership*
7	Create flexible park space at current Senior Center location	Appearance, Destination / Events	Long Term	City
8	Explore the establishment of a Quiet Zone with the BNSF Railroad	Connectivity Destination / Events	Long Term	City
9	Establish city-wide approach for bicycle, pedestrian, and transit accommodation	Appearance, Connectivity Destination / Events	Long Term	City

*Short term = less than 5 years. Long term = more than 5 years.*

*\*Partnership with City and/or other entities. (I.E. Business Owners, Railroad)*

*5.20 Implementation Matrix*

# Speaking of Roles.....



One of the roles of a merchants/property owners association is often the promotion of businesses by bringing business and property owners together to communicate, network and share ideas.

The creation of the association can be as complex or simple as you want to make it.

# Thoughts on forming an association

What is the purpose of an association? Here are some things to think about:

- ❑ There are pros & cons of any approach so it is important to think about the association's short-term and long-term goals. For example: a simple association may be easy to run and form but you may lose out on certain legal protections or the eligibility for tax deductions available to a more complex association.
- ❑ Whatever form you choose it is important that it is flexible enough to meet your goals as well as allow for future growth of the organization.
- ❑ It is important to understand the legal, tax and accounting issues that may arise. We recommend discussing these issues with an attorney, accountant or other professional so that you can choose the best form for your association.

# What is a mission statement?

Remember – This is your mission statement. It needs to be tailored towards your vision and what you want to accomplish. Below is a list of items you should consider when writing your mission statement.

- ▣ A mission statement is a vision of what a merchants/property owners association is to be and whom it is to serve.
- ▣ Should be one to two sentences in length.
- ▣ Should be a broad statement to allow for change throughout the years.

# Examples of a mission statement

- To bring together people, partnerships and possibilities for a strong and vibrant downtown.
- To promote and improve the downtown business environment, stimulate a vibrant local economy and produce a cooperative effort to enhance the overall quality of life to its highest potential.
- Influence and foster a climate in which business can operate profitably and to encourage and promote positive, well-balanced economic growth through business development.
- To promote and meet the needs of merchants and property owners and to create the best downtown in which to live, work and do business.
- To promote business prosperity and a healthy downtown by providing information, services and advocacy for its members.

# Should a merchants/property owners association be incorporated or not?

- Most merchants/property owners associations choose to be incorporated but you have the option of being informal and just have goals for downtown.
- Should you choose to incorporate, we highly recommend you consult with an attorney regarding how to form and structure the association.

# What tax-exempt status should be chosen for a merchants/property owners association?

- ▣ Depending on the goals of the merchants/property owners association, it can be set up as a non-profit or for-profit organization.
  - The significant differences between the two being how they are taxed and how the profits can be distributed. As a non-profit you may be able to qualify for more government grants.
- ▣ Again, we highly recommend you consult an attorney when deciding on a tax-exempt status.



# What are the income and expenses of a merchants/property owners association?

- **Membership Dues** – You can either set the cost for all members or set different options based on income, size of business, individual vs. company, etc.
- **Non-Dues Income** – This could include sponsorships, grants, registration fees, contributions from board members, etc. Non-dues income may be very important to an association's bottom line since membership numbers may fluctuate from year to year.
- **Expenses** – Expenses can include anything from hiring someone to design a logo, to the designing and printing of letterhead and other marketing materials, to the opening of a bank account.
- **Annual Budget** – Once the income and expenses are determined, it is imperative to set an annual budget based on the projected income and expenses so the board and its members know how much money is allotted to the various activities of the association.

# Who will serve as the first board members?

- ❑ Select an odd number of people for voting purposes.
- ❑ Make sure the group represents the merchants/property owners.
- ❑ Select people who have the time to devote to the merchants/property owners association.
- ❑ Identify recognized leaders who will be champions for the association. An effort spearheaded by such key players will gain immediate notice and credibility, helping to ensure an immediate following during this important start-up period.

# What are the bylaws of the merchants/property owners association?

- ▣ Defines the structure of the association.
- ▣ Serves as a guideline for procedures.
- ▣ Topics typically covered in bylaws include membership categories and qualifications; membership benefits and services; board members, their roles, qualifications and terms of office; election procedures, as well as other topics related to the members and board members.
- ▣ Should be fairly concise, easy to understand, and readily available to the membership. They should not be so specific as to require frequent amending, which can be confusing, nor so vague as to create uncertainty about any structure or procedure.
- ▣ Highly recommend consulting with an attorney to help draft the bylaws.

# Example of bylaws table of contents

This is just a resource to get you started. Take ownership by crafting bylaws that represent your own association. The next page provides links to various merchants' association web pages and bylaws.

- ▣ ARTICLE I – NAME
- ▣ ARTICLE II – MISSION STATEMENT
- ▣ ARTICLE III – STRUCTURE AND REPRESENTATION
  - Section 1 – Eligibility
  - Section 2 – Members and Dues
  - Section 3 – Meetings
  - Section 4 – Voting
  - Section 5 – Attendance
  - Section 6 – Officers and board members
- ▣ ARTICLE IV – AMENDMENTS/DISSOLUTION

# Links to merchants' associations web pages and bylaws

- [Downtown Belton, TX](#)
- [Downtown Overland Park](#)
- [Laclede's Landing - St. Louis Riverfront district](#)
- [Garland, TX](#)
- [Meridian, Idaho](#)
- [Bend, Oregon](#)

# Conclusion

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- A merchants/property owners association oftentimes are beneficial in bringing business and property owners together to communicate, network and share ideas.
- It is not the City's intent to be in charge of forming a merchants/property owners association, but as a property owner within Old Town, we may be a member of such organization.

# City contact information

- ❑ Information prepared by Karen Gable with the Community Development Department.

Please contact her at 913-477-7714 or

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