



CHOOSE
SANTA CRUZ

GUIDE:

RETAIL STORE





STARTING A RETAIL STORE

Opening a retail store can feel complex but this guide will walk you through the steps to make your store a reality. Before ordering your inventory, setting up your Point-of-Sale system, and designing the layout of your store there are several key things that need to be completed. We've put together the information and checklists you need to get things started and make your store a reality. Let's get you moving so you can open!



PLAN

Business Plan:

Creating a business plan can help you to focus your ideas, outline goals, and develop a strategy for reaching them. Even if you plan to keep your business small it will be helpful start from a strong foundation plan.

Many properties may even require a business plan in order to get a lease.

Note:

Online Business Resource, **SizeUp Business Analytics**, can provide you with data on how your business will stack up against potential competition and can help up inform your business plan.

The **Small Business Development Center** (SBDC) is a great resource and can match you with a free and confidential business consultant who can provide feedback and help you to focus your business plan to achieve your goal.

Business Structure:

Choosing the right business structure is important for legal and tax purposes. There are several different types of structures that might work for your business.

For more information about the benefits and risks of the different types of business structures, check out **NOLO Law for All**.

Note:

We recommend you talk with an attorney and a CPA to ensure you understand the legal and financial implications of the business structure you plan to operate.

- Prepare Business Plan**
- Connect with SBDC for business mentoring**
- Work with an attorney or CPA to determine business structure
- More tasks...
- More tasks...
- More tasks...



PLAN

Choosing a Name:

Choosing a name for your business is important. It has to fit and feel right for your brand and business identity. Your name also needs to be registered properly to protect you for the long term. Some things to consider when choosing a name: How will your name look online or in a logo? How internet friendly is it? Does it reflect your business philosophy, values, and brand? Are you tied to a name for personal reasons that works well for your customers?

You can check if the name you want is available and reserve an available name by mail with the CA Secretary of State. Learn more about this process at sos.ca.gov.

Choosing a Location:

Location is key. Especially as a retail business, you will want to consider local demographics, supply chain, where you are likely to get foot traffic, proximity to competitors, and whether you want to be in a retail hub. You should also be thinking about more basic needs such as how much space you really need, how much rent you can afford and what your lease structure should be.

Before you fall in love with a space, make sure it is zoned for retail use and that it has enough parking. We can help you connect with the Planning Department to find out where you are permitted to operate.

Note:

Downtown Santa Cruz is an incredible hub of commerce, culture, and community. If you choose to set up shop in Downtown there are a few things you should be aware of to help you start off on the right foot. For more information visit our **Downtown section** of the Business Roadmap.

- Check if your business name is available**
- Choose a location**
- Check with Planning to make sure the location is zoned correctly for your use
- More tasks...
- More tasks...
- More tasks...



Employer Identification Number:

If you are hiring employees you will need to apply for an Employer Identification Number (EIN) also known as a Federal Tax ID number from the IRS. This is used to identify your business and allows you to hire employees. To apply for an EIN visit www.irs.gov/businesses.

Fictitious Business Name:

Registering your Fictitious Business Name is simply the process of letting the state government and the community know that you are doing business as a name other than your personal name or the legal name of your partnership or corporation. A Fictitious Business Name is also known as a “Doing Business As (DBA)” name or trade name. This process shouldn’t be confused with incorporation and it doesn’t provide trademark protection. You will file your Fictitious Business Name through the **Santa Cruz County Clerk’s Office**.

Note:

If you are operating under your own name, then you can skip this process.

- Apply for Employer Identification Number**
- Apply for Fictitious Business Name**
- More tasks...
- More tasks...
- More tasks...

How to Get Your Fictitious Business Name:

Address:	Santa Cruz County Clerk, 701 Ocean Street, Room 210	Costs:	\$40 (plus fee to place name in newspaper)
Forms Needed:	Fictitious Business Name Application	Processing Time:	4 weeks

It might be a good idea to apply for **Trademark Protection** as well. A trademark protects words, names, symbols, and logos that distinguish goods and services. Your name is one of your most valuable business assets, so it’s worth protecting. You can file for a trademark for less than \$400.



PERMIT

Zoning Clearance:

Once you've found a location you'll need to visit the Planning Counter to obtain your Zoning Clearance. The Zoning Clearance is a one-time process for your location, with a one-time fee, that the City uses to ensure your business type is permitted to operate in your chosen location.

If your retail business is permitted at your chosen location you will receive either a "new use" (\$324 fee) or "same use" (\$84 fee) zoning clearance depending on whether there was a retail business in your location before you or not. So, for example, if your location was formerly occupied by a restaurant or office, you will need to obtain a "new use" zoning clearance because the most recent use was not a retail use.

Note:

You'll need your Zoning Clearance before you can get a business license through the Finance Department, so it's important to take care of this step first. Ready, set, go.

- Apply for Zoning Clearance
- More tasks...
- More tasks...
- More tasks...

How to Get Your Zoning Clearance:

Address:	City of Santa Cruz Planning Counter 809 Center Street, Room 206	Costs:	Determined by use type at the Planning Counter
Information Needed:	Your address and type of business	Processing Time:	Typically 1 day



PERMIT

Business License:

Once you have the Zoning Clearance in hand from the Planning Department, you're all set to get your Business License. The Finance Department issues Business Licenses, which are an annual fee charged to businesses operating in the City of Santa Cruz as a way to monitor business activity in the City and best prioritize our resources to help businesses across all City departments as well as the variety of free **resources for businesses online.**

- Apply for Business License**
- Apply for Seller's Permit**
- Research permitting needs for tenant improvements
- More tasks...
- More tasks...
- More tasks...

The Business License Application form can be filled out **online here.**

How to Get Your Business License:

Address:	Finance Counter, 809 Center Street, Room 101.	Costs:	\$145.15 (plus employee fees if applicable)
Forms Needed:	Business License Application	Processing Time:	1 day (plus 1-2 weeks to receive certificate)

Seller's Permit:

You are required to have a seller's permit in order to sell taxable goods. You can find more information and register for a seller's permit on the Board of Equalization (BOE) website, www.boe.ca.gov.

Tenant Improvements:

Building permits are required for most tenant improvements or changes you plan to make to the building or space you are occupying. The **Building & Safety Division** reviews plans for conformance to applicable codes and standards, issues permits, and inspects construction and buildings for compliance with plans and regulations.



PERMIT

Tenant Improvements (Continued):

Examples of improvements that need a building permit include changing or removing walls, **installing a sign** on the outside of a building, installing equipment, and many other types of building activities. Items such as painting, flooring and furnishings typically do not require permits. Best practice would be to always check with the Building & Safety counter to see if the changes you are planning to make require a permit and what the process may be for that project.

Note:

To determine what types of permits you may need to obtain for your tenant improvements you can make an appointment with the Building & Safety division by phone (831) 420-5120 or by visiting the Building & Safety counter (809 Center Street, Room 206).

Depending on the age, condition, and use of the building you plan to occupy, your Tenant Improvements could become a much bigger project than anticipated because state building and other regulatory codes are regularly updated to reflect the most current health and safety standards meaning that, when you make changes to a building, the building may need to be upgraded or brought into compliance.

Given this variability in the scope of a project *we highly encourage you to hire a skilled design professional (an Architect or Engineer) and a licensed contractor* to help you navigate the process.

For more information about how to find the right licensed contractor visit the **Contractors State License Board website**.

- Research permits needed for tenant improvements
- Interview & Review previous work by Design Professionals
- Hire Design Professional
- Hire Licensed Contractor
- More tasks...
- More tasks...
- More tasks...



Traffic Impact Fees:

Traffic Impact Fees (TIF) are assessed for a commercial or residential development project when the use occupies more than 1,000 square feet and there are projected new net traffic impacts related to the proposed future use so it is important to consider previous uses and zoning when siting your business. TIF fees are calculated during the permitting process and an estimate of the fee can be made prior to submitting for permits if you have the information needed to make the calculation.

The TIF fee is based on the criteria below and the use and related impact is determined by the Institute of Transportation Engineers (ITE) Trip Generation Manual, 9th edition as follows:

- your location
- the previous business or use type for that location (if any)
- your business or use type for the same location
- the square footage of your space
- and the type of development

If you know your location and square footage of the space and you would like an estimate before submitting you can contact Dan Estranero, Assistant Engineer by phone 831-420-5189 or email. destranero@santacruzca.gov.

Note:

Regardless of the amount, we encourage you to inquire about the TIF fee estimate so it is a part of your business plan as a startup cost.

- Obtain estimate of TIF fees
- More tasks...
- More tasks...
- More tasks...



Prepare Your Marketing Strategy:

A marketing strategy is key to attracting clients and customers and most of all, spreading the word about your new business. The SBDC can connect you with an expert mentor to help you hone your marketing skills. You can also attend one of the many free or low-cost seminars they host on the topic.

Building visibility and brand awareness is crucial. Consulting with a graphic designer to make sure you have a website, marketing materials, signage, and other graphics that promote a unified message and overall look for your business is an important step to launch your business.

Note:

Hosting a **First Friday** event is another great way to get people through the doors.

Celebrate!

Starting and running a business is a lot of work, so it's important to celebrate the wins! Launching your business is definitely cause to party, so big or small, do something to mark the achievement of getting your business up and running! Congrats!

Plan a Grand Opening:

Now celebrate with you customers with a grand opening. A grand opening event is a great way to celebrate the launch of your business and introduce your business to the community. They come in all shapes and sizes, but the goal should be to promote your business, network, and have fun.

Depending on where you're located, there are a few different groups that might be able to help with your grand opening including the Santa Cruz County Chamber of Commerce and Downtown Association, **reach out to us** to learn more.

- Take time to celebrate getting this far!
- Prepare your marketing strategy
- Build your network to help you find customers
- Contact the Economic Development Office to plan a grand opening
- More tasks...
- More tasks...
- More tasks...



GROW

Hiring Employees:

There may come a time when your business has grown too big to run to alone, and you will be ready to hire on one or more employees. This is a great opportunity to expand your business capacity, provide jobs to the community, and maybe even get you some time off; but you will want to consider the additional costs and complexity this may add. You will need to obtain an **Employer Identification Number (EIN)**, set up records for withholding taxes, report with California's new hire reporting system, obtain workers compensation insurance, and find out if you are required to pay unemployment, medical insurance, or disability insurance taxes.

Note:

If you're thinking about taking this next step we recommend you work with a mentor from the Small Business Development Center to make sure you are ready to make the leap with the right permits and business plan to help you succeed.

Storefront Beautification Grants:

The Economic Development Office offers a Major and Minor Façade Improvement, Commercial Signage Grant Program, and Security Camera Grant Programs to help businesses and property owners enhance their storefronts. Learn more about those programs **here**.

These programs have certain requirements businesses must meet to apply so **contact us** for more information.

- Work on a growth plan with the SBDC
- Work with an attorney or CPA to determine what insurance and taxes you may be required to pay
- More tasks...
- More tasks...
- More tasks...



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CHECKLIST



PLAN

- Prepare Business Plan
- Connect with SBDC for business mentoring
- Work with an attorney or CPA to determine business structure
- Choose a location
- Check if your business name is available
- Check with Planning to make sure the location is zoned correctly for your use



PERMIT

- Apply for Fictitious Business Name
- Apply for Zoning Clearance
- Research permitting needs for tenant improvements
- Apply for Business License
- Determine if you need a Seller's Permit
- Hire Design Professional



LAUNCH

- Take time to celebrate getting this far!
- Prepare your marketing strategy
- Build your network to help you find customers
- Contact the Economic Development Office to plan a grand opening



GROW

- Work on a growth plan with the SBDC
- Work with an attorney or CPA to determine what insurance and taxes you may be required to pay



RESOURCES

SBDC BUSINESS PLANNING SERVICES

The Santa Cruz Small Business Development Center (SBDC) helps to take business ideas to the next level by providing ongoing business education and 1-on-1 support for entrepreneurs.

www.santacruzsbdc.org

OPENCOUNTER

OpenCounter asks the right questions, in the right order, so you can see the requirements, fees, and processing times that apply to your proposed business.

www.opencounter.cityofsantacruz.com

SIZEUP BUSINESS ANALYTICS

Market research can be time consuming and difficult to do as a small business. SizeUp Business Analytics makes it easy to find the comprehensive data you need for your business.

www.choosesantacruz.com/sizeup

SPACE AVAILABLE

Finding the right space can be challenging. ZoomProspector helps you easily filter through our online property database to find the spot that's the right fit for your business.

www.choosesantacruz.com/space-available

YOUR ECONOMIC DEVELOPMENT TEAM

We're here to help businesses launch, grow and prosper. It all starts when you get in touch.

OFFICE HOURS
Mon - Fri: 8am-5pm

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