







SAN DIEGO Economic Development INFO SHEE



10 KEY STEPS TO STARTING A BUSINESS

For Businesses Within the City of San Diego Limits

So you want to start a business in the City of San Diego? Here are the key steps, which may vary depending on your type of business. Following 10 Key Steps will give you the general idea and help the process go smoothly. Many steps can be researched and processed online through the websites listed, saving you the time of calling or visiting department or agency offices. The City's Central Library and all branches provide Internet access during library hours.

1. Research the Basics and Visit the OpenCounter™ Portal

The City of San Diego's Economic Development Department acts as an information clearinghouse for City business programs and services. It serves as your resource partner, connecting you with a variety of business assistance agencies. The department coordinates with City staff to provide the Business Tax Certificate (business license) and zoning, permit and regulatory information to businesses--big, small and startup.

Check out the City's award-winning OpenCounter Online Business Portal (business.sandiego.gov). This free, one-stop, online portal provides guides you through the startup process. Save time. Find permitted locations for your business (before signing a lease). Determine which permits you'll need and how much they'll cost so you can better plan your business. (Use OpenCounter for residential home improvements, too!)

City of San Diego Economic Development Department

1200 Third Ave., 14th Floor, San Diego, CA 92101

619-236-6700 | sdbusiness@sandiego.gov | www.sandiego.gov/economic-development/business OpenCounter Online Business Portal https://business.sandiego.gov

At the City's **Central Library**, you can access many resources, including market research, information on trademark and service marks and how-to books on a variety of businesses and industries. The Central Library also offers workshops on patent, trademark and copyright issues.

Central Library

330 Park Blvd., San Diego, CA 92101 | 619-236-5800 | www.sandiego.gov/public-library

The **U.S. Small Business Administration** has a Business Resource Center that provides free access to a variety of educational and training resources for starting, operating and growing your business. Free onsite counseling is also provided by the Service Corps of Retired Executives (SCORE).

U.S. Small Business Administration - San Diego District Office

550 West C St., Suite 550, San Diego, CA 92101 619-727-4883 or 619-557-7250 | www.sba.gov/offices/district/ca/san-diego

SCORE San Diego

8825 Aero Drive, Suite 101, San Diego, CA 92123 858-283-1100 | score0140@scorevolunteer.org | https://sandiego.score.org

2. Create Your Business Plan

A **Business Plan** will be your roadmap. It'll show you where you are in relation to where you want to be. Your Business Plan will help you outline and document the actions you need to take. Many businesses fail without a solid Business Plan. One more thing: <u>Banks require</u> you to have a Business Plan to be eligible to apply for a loan.

The San Diego **Small Business Development Centers (SBDC)** offer technical assistance to aspiring entrepreneurs and small businesses in San Diego County. One of the nation's largest small business assistance programs, SBDC supports business growth and sustainability and helps create new business through advising, low-cost training and other specialized services, such as help preparing a Business Plan. **Watch videos** on getting a Business Tax Certificate, Fictitious Business Name or Seller's Permit at www.sdivsbdc.org/gig-business.

Small Business Development Centers (SBDC)

South San Diego SBDC 880 National City Blvd., #7100, National City, CA 91950 619-482-6391 | sdsbdc@swccd.edu www.growmybiz.org | Videos at www.sdivsbdc.org/gig-business

> North San Diego SBDC 2075 Las Palmas Drive, Carlsbad, CA 92011 760-795-8790 | centerinfo@miracosta.edu | www.sandiegosmallbiz.com

The Brink SBDC at University of San Diego (assisting early-stage innovation and tech-based startups)

University of San Diego, 5998 Alcala Park, San Diego, CA 92110

619-260-4547 sdsbdc@swccd.edu | www.sdivsbdc.org/theBrink/

3. Determine Your Business Name

The name you choose for your business is very important. If it's your own legal last name (surname) and a one-word description (such as "John Smith Roofing"), then you are not required to register a fictitious business name. If you have a business outside these parameters (such as JS Expert Roofing) *and* your business is not registered with the State, State law requires you to file a **fictitious business name statement (FBN)** with the County of San Diego. This statement, however, does not protect the business name.

County of San Diego Assessor/Recorder/County Clerk's Office

1600 Pacific Highway, Room 260, San Diego, CA 92101 |619-237-0502 Fictitious Business Name (FBN) info: https://arcc.sdcounty.ca.gov/Pages/fbn-info.aspx
FBN forms: https://arcc.sdcounty.ca.gov/Pages/all-forms.aspx#fbn
FBN Publication Requirements: https://arcc.sdcounty.ca.gov/Documents/H115.pdf

4. Determine the Legal Structure for Your Business

Your choice of legal structure will affect your income taxes and personal liability. Several legal structures exist in the State of California. Most businesses start as a **Sole Proprietorship** or a **General Partnership**, which are generally the least complicated. **Limited Partnerships**, **Limited Liability Partnerships**, **Corporations** and **Limited Liability Companies** must register with the California Secretary of State. You are strongly advised to contact your own accountant or attorney for advice about which is the best legal structure for you and your business.

California Business Portal/Governor's Office of Business and Economic Development (GO-Biz) 916-657-5448 | www.businessportal.ca.gov

California Secretary of State www.sos.ca.gov/business-programs

IRS Business & Specialty Tax

800-829-4933 | www.irs.gov/businesses/small-businesses-self-employed/starting-a-business

5. Select Your Business Activity Type

In San Diego, there's a business activity classification system that identifies a business activity and determines a business's start-up requirements and where it can be located. Here's a list of common **Business Activity** types, which can also be found on the Business Tax Certificate (business license) application.

Agriculture (11)

Mining (21)

Utilities (22)

Construction (23)

Manufacturing (31-33)

Wholesale (42)

Retail (44-45)

Transportation and Warehousing (48-49)

Information Services (51)

Finance and Insurance (52)

Real Estate/Rental/Leasing (53)

Professional/Scientific/Technical (54)

Management Services (55)

Administrative Support (56)

Educational Services (61)

Health Care/Social Assistance (62)

Arts/Entertainment/Recreation (71)

Accommodation/Foodservices (72)

Other Services (81)

Public Administration (92)

City of San Diego Office of the City Treasurer, Business Tax Division

1200 Third Ave., First Floor, San Diego, CA 92101

Business Tax: 619-615-1500 Compliance: 619-615-1539 | www.sandiego.gov/treasurer/taxesfees/btax

6. Select Location and Determine Zoning and Site Permit Needs

Before you sign a lease or purchase a property, you should first check to see whether you're allowed to use the space for your type of business, which permits are required and what they'll cost. The City's **OpenCounter Online Zoning Portal** and **Business Portal** can help.

City of San Diego Online Zoning Portal and Business Portal

https://zoning.sandiego.gov or https://business.sandiego.gov

◆ Not sure where to locate? Submit an inquiry through the City's **OpenCounter Online Business Portal** to obtain information regarding permitted locations, site permit requirements and get fee estimates. This will give you the information you need and help you know the types and costs of permits you might need before locating, opening or expanding your business.

City of San Diego OpenCounter Online Business Portal

https://business.sandiego.gov

Plan to operate a business out of your home? Learn about the City regulations regarding Home Occupation at www.sandiego.gov/sites/default/files/dsdib540.pdf. If you can't comply with these City requirements, you must obtain a Neighborhood Use Permit.

For new construction or questions about the development process, contact the **Development Services Department**. Scheduling an appointment is highly recommended.

City of San Diego Development Services Department (DSD)

619-446-5300 | www.sandiego.gov/development-services

City Operations Building 1222 First Ave., Third Floor, San Diego, CA 92101 Ridgehaven 9601 Ridgehaven Court, Suite 220, San Diego, CA 92123

7. Get Special Licenses and Permits

Your Business Activity type determines which licenses and permits are needed to operate a business legally. The City's **OpenCounter Online Business Portal** (<u>business.sandiego.gov</u>) provides plenty information. Here are some key contacts:

◆ The **CalGOLD Business Permit System** (database) assists you in finding appropriate permit information for your business. It also provides contact information for the various agencies that administer and issue these permits. CalGOLD issues neither permits nor licenses and does not provide information on any specific license number(s). If you have questions, contact the agencies that serve your Business Activity type.

CalGOLD at GO-Biz

877-345-4633 | www.calgold.ca.gov

◆ The Department of Consumer Affairs administers more than 3.9 million licenses in more than 280 license types. DCA is a licensing entity and regulator. For a list of Occupations and Professional Services, contact:

California Department of Consumer Affairs

800-952-5210 | www.dca.ca.gov

Certain types of Business Activities are regulated by the San Diego Police Department (SDPD) and require a Police Permit. The City of San Diego's Police Regulated Permitting Application process is administered by the Office of the City Treasurer. Regulation and enforcement is performed by SDPD. For a list of the City's Police Regulated Businesses and information on permits and fees, visit www.sandiego.gov/treasurer/taxesfees/pdpermits/requirements

City of San Diego Office of the City Treasurer, Business Tax Division

1200 Third Ave., First Floor, San Diego, CA 92101 619-615-1500 | <u>www.sandiego.gov/treasurer/taxesfees/pdpermits</u>

◆ Use of hazardous materials and some issues regarding high occupancy require special permits from the San Diego Fire-Rescue Department.

City of San Diego Fire-Rescue Department

619-533-4300 | sdfd@sandiego.gov

Permits: www.sandiego.gov/fire/services/permits

Hazardous Materials: www.sandiego.gov/fire/services/permits/hazmat

♦ Businesses that sell **tangible personal property** in the State of California must apply for a **Seller's Permit** through the **California Department of Tax and Fee Administration**.

California Department of Tax and Fee Administration

15015 Avenue of Science, Suite 200, San Diego, CA 92128 858-385-4700 | www.cdtfa.ca.gov/taxes-and-fees/faqseller.htm

◆ Businesses that sell **goods by weight or volume** must register the devices with the **County of San Diego Agriculture, Weights and Measures** office. Permits are usually required for businesses that import/export businesses, engage in **agricultural-related production** or use **pesticides**.

County of San Diego Agricultural, Weights and Measures

San Diego Office: 9325 Hazard Way, Suite 100, San Diego, CA 92123 858-694-2739 | sdcawm@sdcounty.ca.gov | www.sdcounty.ca.gov/awm
North County Office: 151 E. Carmel St., San Marcos, CA 92078 760-752-4700

7. Get Special Licenses and Permits (continued)

◆ Businesses that sell or handle **food products**, operate a **pool or spa**, handle **hazardous materials** or **medical waste**, have **underground storage tanks** or use **x-ray equipment** must contact the County of San Diego Environmental Health office. Services vary among the four County offices.

County of San Diego Environmental Health (Four offices)

Online Services: https://www.sandiegocounty.gov/content/sdc/deh/doing_business/on_line.html
General Information: 858-505-6700 or 800-253-9933 | www.sdcounty.ca.gov/deh
Technical Questions: 858-505-6900 | dehinbox@sdcounty.ca.gov

◆ For **Additional Permit** information:

California Department of Tax and Fee Administration |800-400-7115| www.cdtfa.ca.gov "Your California Seller's Permit" www.cdtfa.ca.gov/formspubs/pub73.pdf

Small Business Development Center, South San Diego

Videos at www.sdivsbdc.org/gig-business

OTHER PERMITS AND LICENSES MAY ALSO BE REQUIRED.

8. Get Tax Information

Several types of State and Federal taxes may be levied on businesses, including income tax, unsecured personal property tax, sales and use tax, and employment taxes.

• For **unsecured property tax** information, contact:

County of San Diego Treasurer-Tax Collector

877-829-4732 | www.sdtreastax.com

◆ For **State tax** information, visit the **California Department of Tax and Fee Administration** website, which features the business launch guide, "Striking Gold in California"; webinars, tutorials and an online services portal. Also, the California Tax Information Center, sponsored by the state's tax agencies (Board of Equalization, Employment Development Department and Franchise Tax Board), can provide guidance. (<u>NOTE</u>: The California Department of Tax and Fee Administration handles your state **Business Tax** and Fee needs. The State Board of Equalization administers **Property Tax, Alcoholic Beverage Tax**, and **Tax on Insurers** programs.)

California Department of Tax and Fee Administration | 800-400-7115 | www.cdtfa.ca.gov "Striking Gold in California" - www.cdtfa.ca.gov/formspubs/pub170.pdf
Sales and Use Tax Exemptions and Exclusions www.cdtfa.ca.gov/formspubs/pub61.pdf

California State Board of Equalization

Property Tax, Alcoholic Beverage Tax and Tax on Insurers programs www.boe.ca.gov
 California Tax Service Center | 800-338-0505 | https://taxes.ca.gov
 Small Business Liaison 916-845-4669

For Federal tax information specific to businesses, contact:

Internal Revenue Service

800-829-1040 | www.irs.gov/businesses/small-businesses-self-employed/starting-a-business

9. Know Your Employer Responsibilities

If you are going to hire employees, you should know it comes with many responsibilities at the City, State and Federal levels.

◆ For information about the **City of San Diego employer requirements**, including the Earned Sick Leave and Minimum Wage Ordinance, contact:

City of San Diego Office of the City Treasurer

1200 Third Ave., First Floor, San Diego, CA 92101

619-615-1500 | http://www.sandiego.gov/treasurer/taxesfees/btax/index.shtml

Minimum Wage Program: 619-615-1565 | SDMinWage@sandiego.gov | www.sandiego.gov/MinimumWage

• For information about **State employer requirements**, taxes and services, contact:

State of California Employment Development Department

10636 Scripps Summit Court, Suite 202, San Diego, CA 92131 888-745-3886 and 858-880-2500 | http://www.edd.ca.gov

On the Federal level, employers must register as an employer with the Internal Revenue Service (IRS) to obtain a Federal Employer Identification Number (EIN). Employers must also pay additional taxes; withhold, match and submit employee withholdings; obtain worker's compensation insurance and adhere to employee eligibility regulations. The EIN is a nine-digit number that the IRS assigns to business entities and uses to identify taxpayers that are required to file various business tax returns. EINs are used by employers, sole proprietors, corporations, partnerships, nonprofits, trusts and estates, government agencies, certain individuals and other business entities. EINs can be obtained by completing form SS-4 online or by calling the IRS.

Internal Revenue Service

800-829-4933 | www.irs.gov/businesses/small-businesses-self-employed/how-to-apply-for-an-ein

10. Apply for a Business Tax Certificate (Business License)

Any person or entity doing business in the City of San Diego for **more than six days** in one calendar year must have a **Business Tax Certificate**. Home-based businesses (Home Occupation), self-employed persons and independent contractors are also required to have a Business Tax Certificate. You can apply for a Business Tax Certificate online or in person.

City of San Diego Office of the City Treasurer, Business Tax Division

1200 Third Ave., First Floor, San Diego, CA 92101 619-615-1500 | www.sandiego.gov/treasurer

Download application: www.sandiego.gov/treasurer/taxesfees/btax/btaxhow.shtml

More questions? Let us help.

City of San Diego Economic Development Department

1200 Third Ave., 14th Floor, San Diego, CA 92101

619-236-6700 | Email us: sdbusiness@sandiego.gov

24-Hour OpenCounter Online Business Portal: https://business.sandiego.gov

Our Website: www.sandiego.gov/economic-development

Additional Resources

The City's Economic Development Department offers many resources to help entrepreneurs start, expand and locate their business in the City of San Diego. The City's new **Business Resource Matcher** can help you discover available financing, such as tax credits, grants and loans, as well as services, such as consulting and mentorship.

City of San Diego Business Resource Matcher

www.sandiego.gov/business-resources

You can also explore our website (www.sandiego.gov/economic-development). Below are some other resources.

Financing Resources

Small businesses have financial resources in San Diego, but few are available to startups. Most loan programs require that businesses have been in operation for at least one year.

Gap Financing

Business Financing Loan Program

City of San Diego Economic Development Department 1200 Third Ave, 14th Floor, San Diego, CA 92101 619-236-6700 | Fax: 619-533-3219 www.sandiego.gov/economicdevelopment/business/financing

Micro Loans

ACCION San Diego 404 Euclid Ave., Suite 271, San Diego, CA 92114 619-795-7250 www.accionsandiego.org

Loan Programs

CDC Small Business Finance Corporation 800-611-5170 https://cdcloans.com

California Southern Small Business Development Corp.

State of California Loan Guarantee Program 619-232-7771 www.casouth.com

Matching Grant/Rebate Programs

Storefront Improvement Program
City of San Diego Economic Development Department
619-236-6700 | sdbusiness@sandiego.gov
www.sandiego.gov/storefront

Certification and Contracting Opportunities

Certification for City Contracts

City of San Diego Equal Opportunity Contracting 1200 Third Ave., Suite 200, San Diego, CA 92101-4195 619-236-6000 | ContractEOC@sandiego.govwww.sandiego.gov/eoc

State Certification as a Small Business

Office of Small Business & DVBE Services California Department of General Services 916-376-5000 www.dgs.ca.gov/services

Contracting with City of San Diego Small Business Registration

Small Business Administration 550 West C St., Suite 550, San Diego, CA 92101 619-727-4883

https://www.sba.gov/offices/headquarters/obd/resources/4210

City of San Diego Purchasing Division 1200 Third Ave., Suite 200 San Diego, CA 92101-4195 619-236-6000 | Fax: 619-236-5904 www.sandiego.gov/purchasing/

San Diego Contracting Opportunities Center

(Procurement Technical Assistance Center) 880 National City Blvd., Suite 7100 National City, CA 91950 619-216-6671 | sdcoc@ptac-sandiego.org www.ptac-sandiego.org

County of San Diego Resources

County Property Tax Information

Assessor, Recorder, County Clerk 1600 Pacific Highway, Room 103 San Diego, CA 92101 619-236-3771 https://arcc.sdcounty.ca.gov

County Treasurer/Tax Collector

1600 Pacific Highway, Room 162 San Diego, CA 92101 877-829-4732 www.sdtreastax.com

County Air Pollution Control District

Business Assistance Program
10124 Old Grove Road, San Diego, CA 92131
858-586-2656 | Duty Inspector: 858-586-2650
http://www.sdapcd.org/content/sdc/apcd/en/compliance-programs/business assistance.html.html

County Zoning Information

County Planning & Development Services 5510 Overland Ave., San Diego, CA 92123 858-694-2690 | Zoning Info: 858-565-5981 www.sdcounty.ca.gov/pds

State of California Resources

Many City of San Diego businesses will need to work with State agencies if they intend to incorporate their businesses, sell alcohol and other goods, hire employees, etc.

State Payroll Taxes

State Employment Development Department 10636 Scripps Summit Court, Suite 202 San Diego, CA 92131 888-745-3886 www.edd.ca.gov

State Worker's Compensation

State Compensation Insurance Fund 888-782-8338 www.statefundca.com

State Alcohol Sales Licensing

State Alcoholic Beverage Control 1350 Front St., Suite 5056, San Diego, CA 92101 619-525-4064 | Fax: 619-231-1171 SanDiego@abc.ca.gov | www.abc.ca.gov

State Incorporation Information

California Secretary of State 916-653-6814 www.sos.ca.gov/business-programs

Federal Government Resources

The federal government provides a host of pertinent resources and services to small businesses, including consulting services, tax information, export information and wage and hour information.

Income Tax Information

Internal Revenue Service Local Office 880 Front St., First Floor, San Diego, CA 92101 Local: 619-321-5950 Business: 800-829-4933 Info (individuals): 800-829-1040 www.irs.gov

Export Information

Department of Commerce International Trade Administration www.ita.doc.gov

Import & Customs

U.S. Customs & Border Protection
Airport and Seaport 619-685-4304
Otay Mesa Border 619-671-8064
Tecate Border 619-938-8300
www.cbp.gov/trade/basic-import-export

Wage & Hour Information

U.S. Department of Labor 550 West C St., Suite 990, San Diego, CA 92101 619-557-5110 and 866-487-9243 www.dol.gov and www.labor.ca.gov

Social Security Information

Social Security Administration 1333 Front St., San Diego, CA 92101 800-772-1213 www.ssa.gov

Internet, Mail or Telephone Order Business Regulations

Federal Trade Commission 877-382-4357 www.ftc.gov

Market Research, Technical Assistance and Networking Opportunities

General Information, Research and Networking

San Diego Regional Chamber of Commerce 402 W. Broadway, Suite 1000, San Diego, CA 92101 619-544-1300

www.sdchamber.org

Demographics

San Diego Association of Governments (SANDAG) 619-699-1900 | Fax: 619-699-1905 http://datasurfer.sandag.org|www.sandag.org

Business Improvement Districts

619-236-6700

sdbusiness@sandiego.gov www.sandiego.gov/economic-development

Food & Beverage Association of S.D. County

3110 Camino Del Rio South, Suite 215 San Diego, CA 92108 619-228-2291 | www.foodnbeverage.org

Fermanian Business & Economic Institute

Point Loma Nazarene University 2600 Laning Road, San Diego, CA 92106 619-849-2692

www.pointloma.edu/experience/academics/centersinstitutes/fermanian-business-economic-institute

Microbusiness and Nonprofit Support Program

San Diego Volunteer Lawyer Program info@sdvlp.org | www.sdvlp.org/get-help-microbusinessandnonprofit-support

University of San Diego School of Law

USD Entrepreneurship Clinic 5998 Alcala Park, San Diego, CA 92110-2492 619-260-7470 <u>www.sandiego.edu/law/academics/clinics-externships/clinical-education/application-procedure.php</u>

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California Western School of Law

New Media Rights Clinic 225 Cedar St., San Diego, CA 92101 619-591-8870 www.newmediarights.org

Thomas Jefferson School of Law

Small Business Law Center 495 11th Ave., San Diego, CA 92101 619-961-4382 | Fax: 619-961-1382 sblc@tjsl.edu | www.tjsl.edu

Small Business Consulting

Small Business Development Center (SBDC)
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880 National City Blvd., Suite 7100
National City, CA 91950
619-482-6391 | sdsbdc@swccd.edu
www.sandiegosbdc.org
North San Diego SBDC
2075 Las Palmas Drive, Carlsbad, CA 92011
760-795-8790 centerinfo@miracosta.edu
www.sandiegosbdc.org

SBDC Technology Center

5998 Alcala Park, San Diego, CA 92110 sdsbdc@swccd.edu www.sdivsbdc.org/usd-sbdc/

San Diego Center for International Trade Development

880 National City Blvd., Suite 7100 National City, CA 91950 619-482-6393 www.support@sandiegocitd.org www.sandiegocitd.org