The City of SAN DIEGO

Economic Development Department

10 Key Steps to Starting a Business

(For Businesses within **San Diego City Limits**)

There are several key steps to starting a business in the City of San Diego. The steps may vary according to the type of business you intend to start, but the following 10 steps will give you a general idea. **For questions regarding the "10 Key Steps to Starting a Business," please contact the City of San Diego's Economic Development Department at 619-236-6700.**

Note: Many of the following steps can be researched and accomplished by first visiting the respective web sites listed, rather than calling or visiting Agency Offices. For those business start-ups that do not have access to the Internet, the Central Library and all Branch Libraries provide access to the Internet during hours the library is open.

By following these 10 Key Steps, the process of starting your business should run more smoothly. If you need clarification on the process, permitting, or zoning for your type of business, please contact the City of San Diego's Economic Development Department. The department coordinates with City staff and other departments to provide Business Tax Certificate, zoning, permit, and regulatory information and assistance to **Small Businesses**.

1. Get Basic Information

The City of San Diego's Economic Development Department acts as an information clearinghouse for City business programs and services, and serves as a resource partner to a variety of business assistance agencies. Information is available and can be requested via email, telephone, or online:

City of San Diego - Economic Development Department (EDD)
1200 Third Avenue, Fourteenth floor (Suite 1400), San Diego, CA 92101
(619) 236-6700 • email: sdbusiness@sandiego.gov
https://www.sandiego.gov/economic-development/business

The City of San Diego's Central Library provides significant resource materials, including information on market research, trademark and service marks, how–to books on a variety of businesses and industries, etc. The Central Library also offers workshops on patent, trademark and copyright issues. For more information, contact:

City of San Diego - Public Library, Central Library
330 Park Boulevard, San Diego, CA 92101
(619) 236-5800 • www.sandiego.gov/public-library/

The U.S. Small Business Administration has a Business Resource Center which provides a one-stop location for free access to a variety of information, education and training designed to help entrepreneurs start, operate and grow their business. In addition, there is on-site free counseling provided by the Service Corps of Retired Executives (SCORE). For more information contact:

U.S. Small Business Administration - San Diego District Office
550 West "C" Street, Suite 550, San Diego, CA 92101
(619) 727-4883 SBA San Diego • http://www.sba.gov/offices/district/ca/san-diego
(619) 557-7272 SCORE San Diego • http://sandiego.score.org/

2. Create a Business Plan

A **Business Plan** is like a roadmap; it shows you where you are in relation to where you want to be. Whether you believe in a **Business Plan** or not, starting a business involves many ideas that need to be documented and actions that need to be taken. Many businesses fail without a **Business Plan**, and furthermore, banks require one prior to consideration for a loan request.

San Diego Small Business Development Centers provides a vast array of technical assistance to aspiring entrepreneurs and small businesses in San Diego County. By supporting business growth, sustainability and enhancing the creation of new business through advising, low-cost training and other specialized services clients receive; the program remains one of the nation's largest small business assistance programs in the federal government. For help preparing a **Business Plan** contact:

Small Business Development Centers (SBDC)
South San Diego SBDC
880 National City Boulevard, Suite 103, National City, CA 91950
(619) 482-6391 • http://www.growmybiz.org • sdsbdc@swccd.edu
or
North San Diego SBDC
2075 Las Palmas Drive, Carlsbad, CA 92011
(760) 795-8790 • http://www.sandiegosmllbiz.com • centerinfo@miracosta.edu

3. Determine a Business Name

The name you choose for your business is very important. If the name you choose is 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 choose a business name that does not meet these parameters (such as JS Expert Roofing) and your business is not registered with the State then State law requires you to file a **fictitious business name statement** with the County of San Diego. Please note that this statement 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 • https://arcc.sdcounty.ca.gov/Pages/fbn-info.aspx

4. Determine the Legal Structure of the Business

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

California Business Portal/Secretary of State
(916) 657-5448 • www.ss.ca.gov/business/business.htm

IRS Business & Specialty Tax
(800)-829-4933 • www.irs.treas.gov

5. Determine the Business Activity Type

There is a classification system for business activity types in San Diego, which identifies a business activity and determines many of the start-up requirements and where the business can be located. Determine the general business activity type from the list below. The same list is also provided with the **Business Tax Certificate** (Business License) application.

Agriculture (11)	Transportation and Warehousing (48-49)	Educational Services (61)
Mining (21)	Information Services (51)	Health Care/Social Assistance (62)
Utilities (22)	Finance and Insurance (52)	Arts/Entertainment/Recreation (71)
Construction (23)	Real Estate/Rental/Leasing (53)	Accommodation/Foodservices (72)
Manufacturing (31-33)	Professional/Scientific/Technical (54)	Other Services (81)
Wholesale (42)	Management Services (55)	Public Administration (92)
Retail (44-45)	Administrative Support (56)	

For more information on business activity type contact:

City of San Diego - Office of the City Treasurer, Business Tax Division
1200 Third Avenue, First Floor, San Diego, CA 92101
(619) 615-1500 • http://www.sandiego.gov/treasurer/taxesfees/btax/index.shtml

6. Select a Site, Determine Zoning & Site Permit Requirements

Before you sign a lease, or purchase a property there are a few tools to assist in determining a location and establish necessary permits. First, check the zone. Zoning informs and establishes where a business can be located according to allowed uses. To find out where your business is allowed, visit the **City's Zoning Portal** http://zoning.sandiego.gov.

Second, or if you aren't sure where you want to locate, submit an inquiry through the City's Business Portal to obtain information regarding permitted locations, site permit requirements and identify proposed fees. Submit an inquiry on the **City's Business Portal** (OpenCounter) http://business.sandiego.gov will allow more information and predictability before opening, expanding or locating your business.

If you plan to operate out of your home, you can obtain information about the City requirements regarding **Home Occupation** at https://sandiego.gov/ced/zoning/home. If you won't comply with these City Requirements you must obtain a Neighborhood Use Permit.

For new construction or questions about the development process, please contact the Development Services Department.

City of San Diego - Development Services Department (DSD)
1222 First Avenue, Third Floor, San Diego, CA 92101
General Information (619) 446-5000 • http://www.sandiego.gov/development-services/

7. Obtain Any Special Licenses and Permits

The business activity or type chosen determines the licenses and permits needed to operate a business legally. Some of the key contacts are listed below:

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 does not issue permits or licenses, nor provide information on any specific license number(s). Specific questions related to permitting and licensing for any business activity or type must be directed to the various agencies.

CalGOLD (877) 345-4633 • www.calgold.ca.gov

For a list of more than 200 regulated Occupations and Professional Services, contact:
State of California - Department of Consumer Affairs (800) 952-5210 • http://www.dca.ca.gov

Police Regulated Businesses & Permits:
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:

City of San Diego - City Treasurer's Office, Business Tax Division
1200 Third Avenue, First floor, San Diego, CA 92101
(619) 615-1500 • http://www.sandiego.gov/treasurer/taxesfees/btax/btaxhow.shtml

Regulation and enforcement is performed by SDPD. For a list of **Police Regulated Businesses** within the City of San Diego and information on permits and fees visit:
http://www.sandiego.gov/treasurer/taxesfees/pdpermits/requirements.shtml

Hazardous materials and some issues regarding high occupancy require permits from the **San Diego Fire-Rescue Department**. For information: (619) 533-4400.
Permits: http://www.sandiego.gov/fire/services/permits/index.shtml
Hazardous Materials: http://www.sandiego.gov/fire/services/permits/hazmat.shtml

Businesses selling tangible personal property in the State of California must apply for a **Seller's Permit** through the:

State Board of Equalization
15015 Avenue of Science, Suite 200, San Diego, CA 92128
(858) 385-4700 • http://www.boe.ca.gov

Businesses engaged in selling goods by weight or volume must register the devices with the County of San Diego Agriculture, Weights and Measures Office. Permits must usually be obtained by: import/export businesses, agricultural-related production, and businesses using pesticides.

County of San Diego - Agricultural, Weights and Measures Department
9325 Hazard Way, Suite 100, San Diego, CA 92123
(858) 694-2739 • http://www.sdcounty.ca.gov/awm/

Business engaged in: selling or handling food products, operating a pool or spa, handling hazardous materials, underground storage tanks, medical wastes, x-ray equipment, or waste handling must contact the Department of Environmental Health at the County. Please note this department operates from four locations, which each provide a different combination of services.

County of San Diego - Environmental Health
(619) 338-2222, Fax: (619) 338-2377 • http://www.sdcounty.ca.gov/deh/

Other permits and licenses may also be required.

8. Get Tax Information

Several types of taxes may be levied on businesses including income tax, unsecured personal property tax and employment taxes. For unsecured property tax information, contact:

San Diego County – Treasurer/Tax Collector
(877) 829-4732 • http://www.sdtreastax.com/

For State taxes visit the California Tax Information Center that is sponsored by California's tax agencies (Board of Equalization, Employment Development Department, and Franchise Tax Board) and the IRS. **California Tax Information Center** • www.taxes.ca.gov/

For a copy of **"Striking Gold in California"**, which outlines State taxes for businesses, contact:

State Board of Equalization • (800) 400-7115
http://www.boe.ca.gov/info/VirtualSeminars/business_publications.htm

For Federal tax information specific to businesses, contact:

Internal Revenue Service • (800) 829-1040
http://www.irs.gov/Businesses/

9. Employer Responsibilities

A whole new set of responsibilities arises when a business hires employees. Employers must register as an employer and obtain a Federal Employer Identification Number (EIN), pay additional taxes, withhold, match and submit employee withholdings, must obtain worker's compensation insurance and adhere to employee eligibility regulations.

The EIN, also known as a Federal Tax Identification Number, is a nine-digit number that the IRS assigns to business entities. The IRS uses this number to identify taxpayers that are required to file various business tax returns. EINs are used by employers, sole proprietors, corporations, partnerships, non-profit organizations, trusts and estates, government agencies, certain individuals and other business entities. Federal Employer ID numbers can be obtained by completing form SS-4 online or calling:

Internal Revenue Service • (800) 829-4933
http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Employer-ID-Numbers-EINs

Get information on State requirements, taxes and services for employers by contacting:

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/

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**. The applications can be obtained and filed at the following locations or downloaded from the City of San Diego's website: http://www.sandiego.gov/treasurer/taxesfees/btax/btaxhow.shtml

City of San Diego - City Treasurer's Office, Business Tax Division
1200 Third Avenue, First floor, San Diego, CA 92101
General Business Tax Certificate Information: (619) 615-1500

ADDITIONAL RESOURCES AND INFORMATION

Financial Resources

Several financial resources exist for small businesses in San Diego. However, loans are **generally not available** to start-ups. Most loan programs require that businesses have at least one year of history.

Gap Financing/Business Expansion
City of San Diego
Economic Development Department
Business Finance Section
1200 Third Avenue, Suite 1400
San Diego, CA 92101
(619) 236-6323, Fax: (619) 533-3219
http://www.sandiego.gov/economic-development/business/financing/index.shtml

Micro Loans
ACCION San Diego
404 Euclid Avenue, Suite 271
San Diego, CA 92114
(619) 795-7250, Fax: (619) 795-7260
http://www.accionsandiego.org/

Loan Programs
CDC Small Business Finance Corporation
(619) 291-3594, Fax: (619) 291-6954
http://cdcloans.com/

California Southern Small Business Development Corp/State of California Loan Guarantee Program
Tel: (619) 232-7771, Fax: (619) 232-6743
http://www.casouth.com/

Matching Grant/Incentive Programs
Storefront Improvement Program
City of San Diego
Economic Development Department
(619) 236-6460, Fax (619) 533-3219
http://www.sandiego.gov/economic-development/index.shtml

Certification and Contracting Opportunities

Certification for City Contracts
City of San Diego
Equal Opportunity Contracting
1200 Third Avenue, Suite 200
San Diego, CA 92101-4195
(619) 236-6058
http://www.sandiego.gov/eoc/boc/slbe.shtml

State Certification as a Small Business
Office of Small Business & DVBE Services
California Department of General Services
(800) 559-5529
http://www.dgs.ca.gov/pd/programs/osds/getcertified.aspx

Small Business Registration
Small Business Administration
550 West C Street, Suite 550
San Diego, CA 92101
(619) 727-4883
http://www.sba.gov/content/small-business-certification-0

Contracting with City of San Diego
City of San Diego Purchasing Division
1200 Third Avenue, Suite 200
San Diego, CA 92101-4195
(619) 236-6000, Fax: (619) 236-5904
http://www.sandiego.gov/purchasing/

Contracting Opportunities Center
San Diego Contracting Opportunities Center
(Procurement Technical Assistance Center)
4007 Camino Del Rio South, Suite 210
San Diego, CA 92108
(619) 285-7020, Fax: (619) 285-7030
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/Pages/default.aspx

County Treasurer/Tax Collector
1600 Pacific Highway, Room 162
San Diego, CA 92101
(877) 829-4732
http://www.sdtreastax.com/

County Air Pollution Control
County Small Business Assistance Program
10124 Old Grove Road
San Diego, CA 92131
(858) 586-2600, Fax: (858) 586-2601
http://www.sdapcd.org/SBA/sba.html

County Zoning Information
County Planning & Development Services
5510 Overland Avenue
San Diego, CA 92123
(858) 565-5920
http://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 business, 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) 880-2500
www.edd.ca.gov

State Worker's Compensation
State Compensation Insurance Fund
(888) 782-8338
http://www.statefundca.com

State Alcohol Sales Licensing
State Alcoholic Beverage Control
1350 Front Street, Suite 5056
San Diego, CA 92101
(619) 525-4064, Fax: (619) 231-1171
www.abc.ca.gov

State Incorporation Information
California Secretary of State
(916) 657-5448
www.sos.ca.gov

U.S. Federal Government Resources

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

Income Tax Information
Internal Revenue Service
880 Front Street, First Floor
San Diego, CA 92101
Information: (800) 829-1040
Forms and Publications: (800) 829-3676
www.irs.treas.gov

Export Information
Department of Commerce
International Trade Administration
http://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
http://www.cbp.gov/trade/basic-import-export

Wage & Hour Information
U.S. Department of Labor
550 West "C" Street, Suite 990
San Diego, CA 92101
(619) 557-5110
(866) 487-9243
www.dol.gov and www.labor.ca.gov

Social Security Information
Social Security Administration
1333 Front Street
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 West Broadway, Suite 1000
San Diego, CA 92101
(619) 544-1300
www.sdchamber.org

Demographics
San Diego Association of Governments
401 "B" Street, Suite 800
San Diego, CA 92101
(619) 699-1900, Fax: (619) 699-1905
www.sandag.org

Business Improvement Districts
BID Council
P.O. Box 70169
San Diego, CA 92167
Tel: (619) 239-2437, Fax: (619) 239-0714
www.bidcouncil.org

Food & Beverage Association of S.D. County
3110 Camino Del Rio South, Suite 315
San Diego, CA 92108
(619) 228-2291 Fax: (619) 228-2297
http://www.foodnbeverage.org/

Small Business Consulting
Small Business Development Center (SBDC) –
South San Diego SBDC
880 National City Boulevard, Suite 103
National City, CA 91950
(619) 482-6391, Fax: (619) 216-6692
http://www.growmybiz.org/
Center for International Trade Development
http://www.sandiegocitd.org/

North San Diego SBDC
2075 Las Palmas Drive
Carlsbad, CA 92011
(760) 795-8790
http://sandiegosmallbiz.com
centerinfo@miracosta.edu

Fermanian Business & Economic Institute
Point Loma Nazarene University
2600 Laning Road
San Diego, CA 92106
(619) 849-2692
http://www.pointloma.edu/experience/academics/centers-institutes/fermanian-business-economic-institute

Entrepreneur Clinic – USD School of Law
University of San Diego,
5998 Alcala Park
San Diego, CA 92110-2492
(619) 260-7470
http://www.sandiego.edu/law/academics/clinical_education/clinics/entrepreneur.php