



STARTING A BUSINESS IN **SOMERVILLE**

City of Somerville

Office of Strategic Planning &
Community Development

SomervilleMA.gov/Business

617-625-6600, ext. 2500

Español: Para obtener una copia en Español de esta información, llame al 617-666-3311 o por correo electrónico SomervivaEspanol@SomervilleMA.gov.

Português: Para obter uma cópia deste panfleto em Português, entrar em contato com 617-666-3311 ou por e-mail SomervivaPort@SomervilleMA.gov.

Kreyòl: Pou yon kopi infòmasyon sa an Kreyòl Ayisyen, tanpri rele 617-666-3311 oubyen voye on email nan: Somerviv@SomervilleMA.gov.

1. Creating a budget and business plan

A business plan is an important document that can help you make strategic decisions and communicate your business's strengths when applying for financing. A budget and business plan should take into account:

- Startup costs, including licenses and fees
- A budget for long-term operation
- A marketing strategy
- Research into competitors in the area

Tip. Utilize the resources listed at the end of this document—like Boston SCORE, the MA Small Business Development Center, and the Small Business Administration—to develop a well-informed, practical business plan.

Tip. Somerville-based company Spatially offers a free tool for researching what businesses are currently operating in the Boston area. Use it to identify competitors and explore neighborhoods that might be a good fit for your business. Check it out at spatially.com.

Contact. When you are in the process of planning your business, we encourage you to reach out to the City's Economic Development Team. We can explain processes in more detail and introduce you to people who can help you in the City.

Lauren Drago
Economic Development
LDrago@SomervilleMA.gov
617-625-6600 ext. 2515

Nick Schonberger
Economic Development
NSchonberger@SomervilleMA.gov
617-625-6600 ext. 2537

2. Finding the right location

Using what you developed in step one, start strategizing about where you would like to be. Where does your target customer already hang out? What kind of foot traffic do you need to make your business plan work? Once you determine what kind of location you are looking for, it will be easier to hone in on a particular property.

Once you find a building that meets your criteria, there are a few important steps to consider before you sign a lease:

- Check with the City to see whether your business is already allowed at that location. If it isn't, you will need to apply for a Special Permit, which is typically a four-month process. A Special Permit starts at \$460, but increases based on the type of permit and project.
- Consider what improvements the building may need before you can open for business. Constructing new walls, installing signage or awnings, and other renovations always require building permits from the City; see step four for more details.
- Depending on how the building was used before and what kind of business you are opening, there might be other changes required—for example, you may need to make the building accessible to wheelchairs or add a new bathroom. See step five for more details about what licenses are required so that you can better understand what will be required of your business before it opens.
- If the building you are considering is in a historic district, some renovations may not be allowed at all.
- We highly recommend hiring a lawyer to review your lease before you sign it. An unfavorable lease may require you to pay for repairs or trap you in a location.

Tip. The City's Economic Development Team can help you find available space to rent or purchase in the city. Contact **Emily Hedeman** at EHedeman@SomervilleMA.gov or 617-625-6600 ext. 2546.



Tip. The City offers grant funding to eligible businesses located in targeted areas of the City that can help cover some of the costs of storefront improvements and signage. Contact **Nick Schonberger** at NSchonberger@SomervilleMA.gov or 617-625-6600 ext. 2537 for more information.

3. Securing financing for your business

There are a few ways to finance your business:

- Friends, family, and personal savings
- Crowd-sourced funding through a platform like IndieGoGo or Kickstarter
- Bank loans and government-backed loan programs from the Small Business Administration
- Microloans from a provider like Accion or the Bentley Microfinance Group

First-time business owners sometimes have difficulty accessing traditional bank loans, and find that they must depend on other financial sources.

Tip. Utilize the resources listed at the end of this brochure to explore all of your financing options.



4. Making physical improvements

After you've signed your lease and you're ready to renovate your building for your business, the licensed professional doing the design and construction will need to submit plans and required documents to the City's Inspectional Services Department, Building Division. These documents must include scaled drawings showing the extent of work to be performed and information about the existing and proposed use of the building.

Constructing new walls or other basic renovations will require a building permit. If you are installing signage or awnings that are different in design or technology from what is currently on the building, you will need to pursue separate permits for these.

In addition, if you are changing the use of the building from what it was before you moved in, there might be other changes you are required to make depending on what kind of business you intend to open.

For example, you may need to make the building accessible to wheelchairs or add a new bathroom. See step five for more details about what the licenses your business may need so that you can better understand what these licenses will require of your business before you can open.

Cost. The cost of these permits varies greatly depending on the size of the building and the type of work being done.

- **Building Permit:** For every \$1,000 you intend to spend on the building improvements, you will be charged \$20 for the building permit.
- **Plan Review Fee:** For every \$1,000 you intend to spend on the building improvements, you will be charged \$4.
- **Zoning Approval:** For every \$1,000 you intend to spend on the building improvements, you will be charged \$1.
- Other permits and fees may apply.

Contact. For questions about permits required for building construction, sign installation, or other building-related matters, contact **Kelly Como**, Inspectional Services Division, Building Department at KComo@SomervilleMA.gov or 617-625-6600, ext. 5606.



5. Licensing and permitting

Once you have decided your location and business structure, you will be ready to register your business. All businesses must:

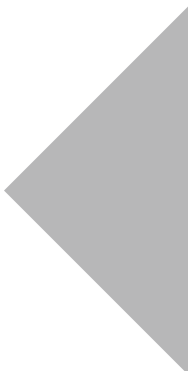
- Decide the structure of the business. Should you be a sole proprietor? An LLC? A corporation? The Small Business Administration compares the different options on its website, sba.gov. Once you decide, you will be able to determine what formal paperwork, if any, is required and file it with the Secretary of the Commonwealth of Massachusetts at sec.state.ma.us.
- File for an Employer Identification Number (EIN), which is also known as a Federal Tax Identification Number, and is used to identify a business entity. This can be done for free at irs.gov.
- File a Business Certificate (also known as a Doing-Business-As or DBA Certificate) with the Somerville City Clerk. If you are doing business under a business name, like Pete's Bagels, and not your legal name, like Pete Smith, you will need to file a Business Certificate. Contact: Peggy Piwinski at PPiwinski@SomervilleMA.gov or 617-625-6600, ext. 4106.
- Some businesses—like restaurants, food trucks, garages, bars, gas stations, hotels, and many others—require additional licenses and permits, either from the City of Somerville or the state. Depending on the type of license required, it could take two to four months to acquire. The cost of these licenses and permits vary widely depending on which ones are required and the square footage of your business.

Contact. For more information about the City licenses and permits needed, contact **John Long**, City Clerk, at JLong@SomervilleMA.gov or 617-625-6600, ext. 4110.

If you are planning to sell food or beverages, please also contact **Ben Lipham**, Senior Health Inspector, at BLipham@SomervilleMA.gov or 617-625-6600, ext. 4304.

If you are planning to sell alcohol, please also contact **Lori Batzek**, Licensing Commission Secretary, at LJBatzek@SomervilleMA.gov or 617-625-6600, ext. 4108.

For more information about the State licenses and permits needed, visit mass.gov/hed/business.



6. Staying in business

Don't forget to renew any registrations, licenses, or permits when required. For example, your Business Certificate needs to be renewed once every five years, and many other licenses must be renewed annually.

In addition, if you decide to make any changes to your business—keeping your business open late at night, serving alcohol, providing outdoor seating—you may require additional permission from the City.

For more information about whether you need a new license, contact **John Long**, City Clerk, at JLong@somervillema.gov or 617-625-6600, ext. 4110 before you make any changes.



Other Resources

Accion East - accioneast.org. Provides microloans and workshops to small business owners.

Bentley Microfinance Group - bentleylends.org. A leading student-run microfinance organization based out of Bentley University in Waltham, MA.

Boston SCORE - boston.score.org. Offers free counseling and mentoring to those looking to start or grow a business and free and low-cost workshops on a variety of topics.

Center for Women in Enterprise - cweonline.org. Provides education and technical support for female business owners

Lawyers' Committee for Civil Rights and Economic Justice - lawyerscom.org. Provides legal support and free events for small businesses.

East Somerville Main Streets - eastsomervilleguide.com. Organizes events, connects member businesses to resources, and helps members stay up-to-date on news that affects the East Somerville neighborhood.

Massachusetts Small Business Development Center - msbdc.org. Provides free, one-to-one business assistance and free or low-cost training programs to prospective and existing small businesses.

Somerville Local First - somervillelocalfirst.org. Supports locally owned and independent businesses in the City by managing marketing campaigns to support local businesses, providing technical assistance to entrepreneurs, and connecting business owners to each other.

Somerville Chamber of Commerce - somervillechamber.org. Networking and advocacy for Somerville businesses.

Union Square Main Streets - unionsquaremain.org. Organizes events, connects member businesses to resources, and helps members stay up-to-date on news that affects the Union Square neighborhood.

U.S. Small Business Administration - sba.gov. Business financing; education, information, technical assistance, and training; federal procurement support; and advocacy for small businesses are the four programmatic functions of this federal agency.

