



# 7 STEPS

to Opening a Small Business in Gilroy

# T

Thank you for your interest in opening a small business in Gilroy!

Starting a new business is exciting and challenging. This brochure helps you through the process by outlining the seven basic steps you need to follow.

The Gilroy Economic Development Corporation (GEDC) is a non-profit corporation that offers a number of resources and programs for small business owners. We are here to help get you started—and to ensure your long-term success in Gilroy. Don't hesitate to contact us today!

The Gilroy Economic Development Corporation (GEDC) offers the following services to local business owners:

- City Economic and Demographic Information
- Business Ombudsman and Expansion Services
- Site Location Information
- Development and Permit Process Assistance
- Access to Business Financing
- Workshops & One-on-one Business Counseling

For more information, contact the Gilroy Economic Development Corporation staff at 408.847.7611 or send an email to [president@gilroyedc.org](mailto:president@gilroyedc.org).



7471 Monterey Street  
Gilroy, CA 95020

Phone: 408.847.7611  
Fax: 408.842.6010  
[www.gilroyedc.org](http://www.gilroyedc.org)





1

## Construct a Business Plan

Planning and preparation will help reduce the risks that are common to starting a new business. A business plan helps to evaluate your needs and also acts as a guide to map out the course of your business. For assistance with creating a successful business plan, visit Tools for Business Success on our website: [www.gilroyedc.org](http://www.gilroyedc.org).

2

## Check Zoning Restrictions

Before establishing and finalizing any location plans or lease agreements, check with the City's Development Services Department to see if your location is zoned for your type of business and find out if any special permits are required. Call [408.846.0451](tel:408.846.0451) or visit [www.cityofgilroy.org](http://www.cityofgilroy.org) for any specific zoning questions.

3

## Establish a Business Structure

Business structures affect your income taxes and level of personal liability. If your business will be established as a Partnership, Corporation, S Corporation, Limited Liability Company (LLC) or as a Non-Profit, you must register with the State of California. For more information, please visit the Secretary of State's website [www.sos.ca.gov/business/be](http://www.sos.ca.gov/business/be) or call [916.657.5448](tel:916.657.5448).

4

## Register a Fictitious Name & Obtain a Business License

If you give your business a name other than your own, you must file a Fictitious Business Name Statement with the Santa Clara County Clerk. Visit [www.sccgov.org](http://www.sccgov.org) for more information.

After you have registered your fictitious name, you will need to obtain a business license from the City of Gilroy. Home-based businesses, self-employed persons, and independent contractors are also required to have a business license. Visit [www.cityofgilroy.org](http://www.cityofgilroy.org) for more information.

5

## Obtain Important Permits

To ensure that structures are safe for occupancy, building permits are required for all new construction as well as structural modifications and remodeling. Permits for other uses, such as signage and food vending, may be necessary. Certain locations may also require payment of impact fees. Please call [408.846.0450](tel:408.846.0450) or visit [www.cityofgilroy.org](http://www.cityofgilroy.org) to find out which permits are required for your business.

Businesses selling tangible personal property in the State of California must apply for a Seller's Permit/Resale Number. For more information, contact the State Board of Equalization at [916.227.6700](tel:916.227.6700) or refer to [www.boe.ca.gov](http://www.boe.ca.gov).

For a complete reference of regional, state and federal permits required in California, visit [www.calgold.ca.gov](http://www.calgold.ca.gov).

6

## Check Tax Information

Various taxes may be levied on businesses, including employment and income taxes. For more information on California taxes, contact the Franchise Tax Board at [800.852.5711](tel:800.852.5711) or visit [www.ftb.ca.gov](http://www.ftb.ca.gov). For a comprehensive guide to state taxes for business, see the article "Striking Gold in California" at [www.boe.ca.gov/pdf/pub170.pdf](http://www.boe.ca.gov/pdf/pub170.pdf).

7

## Obtain an Employer Identification Number (EIN)

If you plan on employing anyone outside of your immediate family, you must obtain an Employer Identification Number (EIN). Hiring other employees requires responsibilities including paying additional taxes, creating employee eligibility standards, and obtaining workers compensation insurance. Employer ID numbers may be obtained by completing SS-4 forms provided by the IRS. Visit [www.irs.gov](http://www.irs.gov) to download forms or call [800.829.1040](tel:800.829.1040).



Phone: [408.847.7611](tel:408.847.7611)  
Web: [www.gilroyedc.org](http://www.gilroyedc.org)

