# FREDERICK

BUSINESS START-UP GUIDE 2025

THE CITY OF FREDERICK · FOUNDED 1745

# CONGRATS ON YOUR NEW BUSINESS VENTURE!

### Schedule A Meeting With Our Team

We invite you to schedule a meeting with The City of Frederick's Department of Economic Development team to help walk with you through the start-up process.

### Web Links To Highlighted Resources

This guide references many additional resources you will need or want to explore. We've compiled a list of direct hyperlinks to these resources through the QR code. Reference back to this webpage any time you come across highlighted text throughout this guide.

### Maryland Business Express

Maryland Business Express is your one-stop portal for starting and managing a business in the state. Use this resource for step-by-step guidance, licensing, tax information, and more.

### City Of Frederick Map

Finally, remember this is a guide for businesses in The City of Frederick. The start-up process will differ in other Frederick County locations. Not every mailing address that references 'Frederick' is within city limits. An interactive map of the city boundaries is available for you to confirm.

# PLAN

## ☐ Conduct Research

Research will be necessary throughout the entire start-up process, but it's also a great place to start! Make it a point to begin learning all you can about your industry, target market, location, competition, and financials.

Visit similar businesses, survey potential customers, and network with fellow entrepreneurs. Assuming they aren't direct competitors in your industry & market, other business owners are often willing to share some lessons learned from their experiences.

### Helpful Data Sources:

**Business Insights:** Frederick County's Office of Economic Development offers a free database, powered by SizeUp, that allows you to find data on potential customers, suppliers, and competitors

**Frederick County Public Libraries:** the library's 'Reference Solutions' database offers detailed records about millions of U.S. businesses

**Data Driven Frederick:** Hood College's analytics center offers data and regional indicators about Frederick County

**City Economic Development:** our team can connect you to a variety of local data & information, including the real estate market, development plans, traffic counts, community demographics, and more

## ☐ Develop A Business Plan

A business plan serves as a road map for decision making and helps you remain focused on the core mission of the company. Banks and landlords frequently request this document as a means of assessing the viability of a venture. But more so, a business plan is important to draft and have for your own use.

Plans vary in format, but traditionally include some combination of the following:

- Executive summary
- Company description
- Products & services overview
- Marketing plan
- Operational plan
- Management & organization
- Start-up expenses & capitalization
- Financial plan

Blank templates are available online through organizations such as **SCORE Mentors** and the **U.S. Small Business Administration.** The following local organizations also provide free & low-cost assistance for business planning via one-on-one counseling services, online seminars, and in-person workshops:

- **Small Business Development Center: Maryland**
- **SCORE: Mid Maryland**
- **Maryland Women's Business Center**

## ☐ Choose A Business Structure

Selecting the right business structure is important for legal and tax purposes. There are many different options for business format, including, but not limited to:

- Sole Proprietorship
- Partnership
- Limited Liability Company (LLC)
- Corporation

We recommend you discuss the options with an accountant and/or business counselor before deciding on your business structure, as each structure comes with different legal liabilities and tax implications.

# FINANCE

## ☐ Secure Necessary Financing

Start-up funds can come from a variety of sources. Whether self-funding, finding investors, or taking on debt, be sure to plan carefully to ensure your business venture is adequately capitalized from the beginning.

## ☐ Build Relationships With Commercial Lenders

Frederick has more than a dozen active commercial lending institutions with on-the-ground facilities within city limits. After you have drafted your business plan, contact potential lenders and begin building this important relationship.

The five Cs of credit (character, cash flow, capital, conditions, and collateral) will influence your business financing options. Use feedback from lenders to understand your business's relative strengths & weaknesses and how you can strengthen your position.

**SBA Loan Programs** are designed to encourage lending to for-profit small businesses by reducing the risk for lenders. While backed by the U.S. Small Business Administration (SBA), the loans are processed through approved third-party lenders – including many of the lending institutions right here in Frederick.

The SBA also offers an online **"Lender Match"** to help match you to potential lenders based on your needs and profile.

## ☐ Research Alternative Financing Channels

Many strategic flexible financing programs can help facilitate projects that might not be possible under traditional loan options. Some alternative financing programs include:

- **Neighborhood Business Work**
- **Video Lottery Terminal (VLT) Fund**

- **Maryland Small Business Development Financing Authority**
- **Military Personnel and Veteran Owned Small Business Loan Program**
- **Commercial Property Assessed Clean Energy (C-PACE) Program**
- **LEDC Business Loans**
- **Opportunity Zone**
- **TEDCO Seed funds**

Additional options to explore could include crowdfunding, approaching investors, teaming with a partner, or scaling operations over time.

## ☐ Explore Incentive Programs

Tax credits and conditional grants are available at the local, state, and federal levels to encourage community-boosting investment, energy-efficient initiatives, job creation, and property rehabilitation.

Take advantage of **incentive opportunities** by contacting the **City's Department of Economic Development.**

# LOCATE

There is much wisdom in the adage, "Location, location, location." Whether leasing or buying a commercial space, where you choose to do business is an important decision.

## ☐ Research The Real Estate Market

The **"Site Selection"** page on the City of Frederick's Economic Development website features real estate opportunities currently for lease or for sale in The City of Frederick. The page also offers links to learn more about current and future development planned across The City of Frederick.

Our team is available to **run customized real estate reports,** free of charge, upon request for specific space needs.

## ☐ Work With A (Buyer/Tenant) Real Estate Agent

Commercial real estate is a complex industry, and it is strongly encouraged that you choose a professional real estate agent to be your personal advocate throughout the process. What's more, agents are usually compensated through a commission fee already earmarked by the landlord – so typically there is no additional cost to benefiting from their guidance.

## ☐ Evaluate Location-Based Incentives

The City of Frederick and other levels of government provide strategic incentives to encourage rehabilitation, capital investment, and job creation. **These programs** should be taken into consideration when choosing a location. **Contact the City's Department of Economic Development** for more information.

## ☐ Explore Incubator And Co-Work Options

If you're just starting out and not ready to lease or purchase a property, Frederick has a variety of **shared work-space opportunities** for a diverse range of industries. These spaces – including offices, commercial kitchens, and lab spaces – offer affordable options alongside a community of fellow entrepreneurs.

## IMPORTANT LOCATION CONSIDERATIONS:

All city properties and uses are required to adhere to the City's Land Management Code and adopted Building Codes. Understanding expectations prior to committing to a space can keep your budget on track and help your project stay on schedule.

### Opening A Home-Based Business:

The City of Frederick regulates the operation of home-based businesses. Details on these regulations can be found online under the Land Management Code Article 8, Section 829 "Home Occupation."

Applicants must first apply online for a Home Occupation Determination.

- If determined to be 'No Impact', a Zoning Permit is required. (See pg. 12)

- If determined to be a 'Conditional Use', the use must go before the Zoning Board of Appeals. Application for review by the ZBA can be made online and does involve a fee. The ZBA meetings occur once a month. If conditionally approved by the ZBA, a Zoning Permit is required. (See pg. 12)

### Opening A Brick-And-Mortar Business: (A Business Location Outside Of Your Home)

#### ☐ Confirm Your Property's Zoning And Permitted Uses

A Zoning Map is available on The City of Frederick's website. A matrix of permitted property uses by zone can be found in the City's Land Management Code.

The City's Planning Department is available to answer zoning and property use questions at 301-600-1499.

#### ☐ Consider Requesting A Formal Zoning Determination

If you are considering a proposed use that doesn't clearly match those listed in the LMC Use Matrix, are changing the use of a property or are considering outside site improvements, you may also want to consider a Zoning Determination.

For a fee, the process results in a written letter prepared by the city's Zoning Administrator that definitively answers questions such as:

- Is this use permitted?

- Are there any existing non-conforming uses/features at the property?

- Are there any outstanding zoning violations at the property?

- What planning review would the proposed site changes trigger?

The Zoning Determination will be returned within 12 working days.

#### ☐ Review The City's Land Management Code As It Relates To Your Specific Plans & Property

Common topics of interest for businesses may include, but aren't limited to:

- Historic District guidelines & processes

- Parking standard minimums

- Potential Site Plan requirements (especially when planning ground disturbances of more than 5000 SF, paving, or impacting traffic/pedestrian circulation)

- Signage Regulations

- Non-Conforming Uses/Features

- Vender/Peddler Regulations (i.e. food trucks)

- Entertainment at Eating & Drinking Establishments

#### ☐ Anticipate Possible Impact on Public Facilities (APFO)

Be sure to also consider any impact on public facilities that could be prompted by the business, including changes to the number of vehicle trips to a site, increased use of water/sewer usage, or the production of wastewater discharge.

Water and Sewer Allocation and Impact Fees relate to all development projects requesting new and/or additional public water and sewer from the city. All projects will have consumption amounts reviewed at year one and year two respectively. If the usage has increased beyond the base amount or allocation granted, an additional allocation will need to be procured and the associated impact fees be paid.

The Industrial Pretreatment Ordinance regulates commercial users of the City's wastewater treatment works. The City issues Fats/Oils/Grease (FOG) Control permits and monitors/inspects industrial users' facilities accordingly.

These potential impacts on public facilities will be considered during the permit review process.

The **City's Engineering department** can respond to related questions at **301-600-1405.**

## ☐ Research Building Improvements Parameters & Requirements

Building codes provide rules and standards for the design, construction alteration, materials, maintenance, and performance of buildings. Their purpose is to protect public health, safety, and general welfare in the construction and occupancy of buildings.

The City of Frederick Building Department works from adopted **Building Codes.** How the code is applied is dependent on multiple factors — including the intended use of the space, the construction type of the building, and whether the space has an existing sprinkler system.

A design professional can best help you understand how the code relates to your specific location & business model. Keep in mind, even if you do not plan to alter the physical structure of a property, changing the use of a property will also trigger a building code review.

Common aspects of building review include, but are not limited to:

- Fire safety
- Ingress/egress
- ADA compliance
- Energy efficiency
- Restroom facilities
- Water & sewer upgrades
- And more

Consult with your design professional to understand the parameters and costs of improvements at the location you are considering.

The **City's Building Department** is available for additional questions at **301-600-3808.**

# REGISTER

## ☐ Register Your Business with Maryland State Department Of Assessments & Taxes (SDAT)

To register your business, you will need: a physical business location in Maryland (a P.O. Box is not valid), a business name not already in use, a business type & structure, and a resident agent.

While sole proprietorships & general partnerships are not legal entities, you must still comply with state and local licensing requirements. Under these structures, you will still need an SDAT Identification Number if you wish to open a business account or are applying for licenses through the State's Clerk of Courts office.

If you would like to reserve an alternate name to "do business as," you must also register this Trade Name.

## ☐ Obtain A Federal Employer Identification Number (EIN)

The EIN is used by the federal government to identify a business entity. All businesses are required to have an EIN unless you are a sole proprietor AND do not have employees, a 401k, a formed partnership, or have filed for bankruptcy.

You can **apply for the number online through the IRS.** The website also provides information outlining your federal tax responsibilities as a business owner.

## ☐ File The Federal Beneficial Ownership Information Report (If Required)

As of Jan 2024, many businesses are also required to report Beneficial Ownership Information to the Financial Crimes Enforcement Networking (FinCEN) of the United State Treasury.

With some specific exemptions, companies that are required to report include corporations, limited liability company (LLC), and any entity created by the filing of a document with a secretary of state or any similar office under the law of a state.

Reports and additional information can be found at the **FinCEN BOI site.**

# LICENSE

## Purchase Business Insurance

Commercial insurance can protect businesses from common losses and is an important part of owning a business. There are a variety of business insurances available (and sometimes required), including but not limited to: Commercial Auto Insurance, Property Insurance, Business Interruption/Continuation Insurance, Worker's Compensation and Liability Insurance.

For general information, contact the **Maryland Insurance Administration** at **1-800-492-6116.**

We encourage you to consult with your insurance provider, attorney, or professional advisor for additional specific guidance.

## If Launching A Website, Claim Your Web Domain & Social Media Handles

Web domains can be purchased online through an **Internet Corporation for Assigned Names & Numbers (ICANN)** accredited 'domain registrar' company. Domains and handles should be simple, and user-friendly.

## Consider Registering Your Trademark

While not necessary, you may also want to register your business's unique graphic symbol/logo to protect your use of it. Learn more through the **United State Patent and Trademark Office.**

## Apply For Maryland Tax And Insurance Accounts

The Maryland Comptroller's **Combined Registration Application** is a one-stop method for registering for a variety of Maryland tax and insurance accounts, including the sales and use tax license, employer's withholding tax account, unemployment insurance account, admissions and amusement tax account, alcohol tax license, tobacco tax license, and more.

The application form and more information about which accounts are relevant to your business are available through the **Maryland Comptroller's office.**

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The City of Frederick does NOT administer a local business license. Nevertheless, there are licensing requirements at other levels of government. Every business is unique, and requirements will vary between industries.

## Contact The Frederick County Clerk Of The Circuit Court

The Clerk of Circuit Court issues multiple types of state-wide licenses and is a good place to start when licensing. Common licenses issued directly by the Clerk of Court's office include:

- Trader's License (required for any business that retails products except for those that make/grow/manufacture their own goods or hold a restaurant license)
- Chain Store License (when a business operates 2 or more retail stores in MD)
- Restaurant License
- Tobacconist License
- Construction Firm License
- Motor Vehicle Peddler (i.e. food trucks)
- Storage Warehouse License
- Cleaning, Dyeing, Pressing, & Laundering License
- And more

### Occupational/Professional:

Many industry sectors, including healthcare, childcare, and home improvement trades require additional licensing through other State of Maryland agencies. Contact the **Frederick County Clerk of Circuit Court** at **301-600-1965.**

### For Food Service:

The **Frederick County Health Department's Food Control** office oversees all food service– both permanent and temporary – within The City of Frederick.

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Note - Health Department approval is required BEFORE permits can be submitted to The City of Frederick.

Remember also that Health Department approval is in addition to the licensing requirements through the Frederick County Clerk of Circuit Court discussed above. Contact the **Health Department** at **301-600-2542.**

### For Alcohol Sales And Services:

All businesses wishing to serve or sell alcohol must obtain a liquor license through the **Frederick County Liquor Board.** **Contact 301-600-2984.**

# PERMIT

The scope and complexity of a commercial project determines the specific building and trades permits/review process required through The City of Frederick.

Application for these building-related permits is available online through the city's **OpenGov portal.** The online platform will allow you track your application's progress during review and inspections. A **current Permit Fee Schedule** can be found on the Building Department page of the city website.

## ☐ Obtain A Zoning Certificate Or Certificate Of Occupancy

As a new occupant or tenant of a property in The City of Frederick, you will need to obtain either a Zoning Certificate -OR- a Certificate of Occupancy. Our Building Department can help you understand which you will need and what to apply for at 301-600-3808.

Both permitting processes will require a signature by the property owner, as well as inspections prior to the issuance of the final approval. When all inspections have been passed, you will be given access to a digital copy of the certificate through the online portal system. There is no need to display the final certificate, but you will need to keep it on file.

### Zoning Permit

The **zoning permit** confirms that a property can be used for a proposed business and that it complies with all applicable zoning. The permit is required for home-based businesses and for businesses moving into a commercial space that will not be doing construction, electrical, gas, or plumbing work.

The Zoning Permit review process typically takes 2-4 weeks.

Following the receipt of the permit, inspections by the Building Inspector and Fire Protection Engineer are required to address life safety issues. Instructions will be provided to

schedule these inspections with the permit and can occur the next workday. Following successful inspections, the Zoning Certificate will be issued.

### Commercial Alteration Permit

Remodeling, renovating, and/or adding to a space will instead require a **commercial alteration building permit** and other related building permits depending on the scope of the project.

Strictly cosmetic improvements such as painting or flooring would not require this permit. However, any electrical, plumbing, or gas work — or adding or removing walls — does require a permit.

A licensed electrician and plumber will be required for any relevant work.

Applicants are encouraged to work with a design professional to understand the requirements of the building code to their specific plans.

The Commercial Alteration Permit review process typically takes 4-6 weeks.

Following the receipt of the permits, relevant inspections will be required. Instructions will be provided to schedule these inspections and can occur the next workday. Following successful inspections, a Certificate of Occupancy will be issued.

### Historic District

The Historic District Preservation Commission (HPC) must approve all exterior work (including signage) in the Frederick Town Historic District except ordinary repair or minor rehabilitation. Remember to factor in additional time for projects that require this additional step as part of the review process.

**A map of Frederick Town Historic District** is available on the City's website. **Full guidelines** can be found online on the City's Historic Preservation page.

Contact the City's Historic Preservation Planners at **301-600-1499** to learn more.

### Signage

The city regulates commercial signage including the size of signs, location, type, and number permitted per lot. Comprehensive sign regulations can be found in **Article 8, Section 864 of the Land Management Code.**

**Sign permits** can be obtained through the OpenGov portal.

For businesses within the Historic District, Historic Preservation approval is a separate process from the sign permit and is required **before** submitting the sign permit.

### Sandwich Boards

Businesses in the Downtown Business zoning district are allowed one sandwich board sign, placed in front of the business. These signs must be removed at the end of each day. There are regulations regarding the size and placement, but no permits are required. In Downtown Frederick, HPC approval is NOT required for sandwich boards.

### Sidewalk Cafés

The City grants permission for the use of <u>public sidewalk</u> space for outdoor dining

opportunities through the **Sidewalk Café permit.** There are regulations for both enclosed and outdoor seating areas in the City's code. An enclosed seating area requires a permit. Outdoor service of alcohol also requires Frederick County Liquor Board approval.

## Vendor/Peddler (Including Food Trucks)

Any person temporarily occupying a place or business for the purpose of selling OR any person offering to sell from a pack, wagon or otherwise movable structure (i.e. a food truck) is required to obtain a **Vendor/Peddler permit** through the City's Building Department.

## START-UP LOGISTICS

### Trash & Recycling Pick Up

The City's Department of Public Works provides curbside trash pickup to all businesses located in City limits. Route schedules can be found on the City website. In the Downtown Commercial Business District, waste is collected six nights a week. Recycling is offered three nights a week in this designated area only. In all other areas of the City, trash is collected once a week. Trash should be set out after 5pm and before midnight on the evening preceding your collection day.

Commercial properties are limited to 320 gallons of refuse a week per property. The City will pick up excess of this amount for an additional cost. This billing is addressed to the property owner. For large companies, shopping centers and business parks located outside of downtown, a private refuse hauler may be needed to meet your waste disposal needs.

Contact the **Department of Public Works** at **301-600-1680** to set-up an account, purchase additional bins, or obtain more information.

### Utility Billing

Water and sewer accounts are maintained in the name of the property owner. Account

names are changed when a property is transferred. The City of Frederick Finance Department offers several options to pay utility bills, including online, by mail, walk-in, by phone, and drop-box.

Explore the **Utility Billing page** on the City website or call **301-600-1421.**

## Sidewalk Maintenance

Sidewalk maintenance is the responsibility of the property owner or tenant depending on the terms of the lease. If a sidewalk tripping hazard is caused by a City-owned street tree, the City will pay 50% of the cost of the repairs if the work is performed by the City's contractor. When a property owner chooses to perform the work themselves or hire their own contractor, a "Sidewalk" permit is required prior to the start of work.

Contact the **Department of Public Works** at **301-600-1680** with questions or for more information.

## Winter Weather

Within the City, a snow emergency event will be announced to the public at least 2 hours prior to the start via the City website, social media, local media sources, and the Frederick County Emergency Notification system. Prior to the start of the Snow Emergency event, all vehicles must be removed from designated Snow Emergency Routes within City limits. In some instances, the City may open public garages for free parking for the duration of the snow emergency event.

**Property owners & tenants (depending on the terms of the lease agreement) are responsible for clearing ice and snow from sidewalks within 12 hours of the snowfall.**

## Downtown Parking

In addition to paid and free street parking options, there are five public parking garages in Downtown Frederick. These include East Church Street, Carroll Creek, Court Street, West Patrick Street and East All Saints Street. The city offers monthly parking pass options to businesses with employee parking needs. Businesses may purchase "Park and Shop" tickets at a discounted price to give to customers to assist with the cost of parking in the five public garages.

For more detailed information or questions about parking-related issues, contact the **City's Parking Department** at **301-600-1429.**

## Finding Your Workforce

Finding and retaining employees is an integral part of the success of any business. Local tools that can help include:

- **Frederick County Workforce Services:** FCWS links businesses in need of qualified employees with individuals seeking employment opportunities. The organization can provide local labor data and trends, assist in the development of new job descriptions, and provide funding opportunities for workforce training initiatives.

- **Free Job Boards:** Several local organizations offer free job listings, including: the **Downtown Frederick Partnership, techfrederick,** and **Frederick County Workforce Services.**

- **Local Colleges:** Frederick Community College • Hood College • Mount St. Mary's University • University of Maryland System

# LAUNCH

## ☐ Celebrate With A Ribbon Cutting

A special event can be a great way to introduce your business to the community.

The City DED and our economic development partners offer special ribbon cutting marketing packages to maximize the buzz around the event, including:

- **Frederick County Chamber of Commerce**
- **Downtown Frederick Partnership**
- **Golden Mile Alliance**
- **East Frederick Rising**

These organizations can help support your grand opening promotional efforts leading up to the day, coordinate invitations to local officials/community members, manage day-of celebrations, offer photography support, and more.

If you choose to host the event independently, you may also directly request that the mayor or other city officials attend the ceremonies for additional publicity.

To be eligible for the city's participation in the opening ceremony, businesses must have completed the appropriate building inspections required during the start-up process and have a Certificate of Occupancy/Zoning Certificate from The City of Frederick.

**Contact the City's Economic Development team** for more information.

## ☐ Submit A Free Press Release

**PR Frederick** is a no-charge press release distribution service provided through The City of Frederick and in collaboration with Frederick County.

The service is a great way to announce your new business to the community, as well as continue to celebrate your newsworthy growth (expansions, special awards, new products/ services, etc.) once your doors are opened!
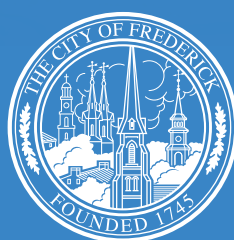
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## ECONOMIC DEVELOPMENT

**The City of Frederick: Department of Economic Development**

*111 Council Street, Frederick, Maryland 21701*

*301-600-6360*

*businessinfrederick.com*