



Doing Business in Groton: A Resource Guide

Office of Planning &
Development Services

134 Groton Long Point Road
Groton, Connecticut 06340



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Every business has different needs. It is important to identify and continually assess your needs.

DON'T KNOW WHERE TO START?

Contact the Town of Groton Economic Development division who can provide free advice and business assistance in Groton.

Phone: 860.446.5960

On the Web at:

www.exploremoregroton.com



This guide was developed by the Town of Groton with assistance from the Norwich Community Development Corporation.

Issued: 2021

This guide has been organized in such a way to guide you through the process from inception of your idea to start or expand a business, all the way through to the ribbon cutting celebration to announce your opening.

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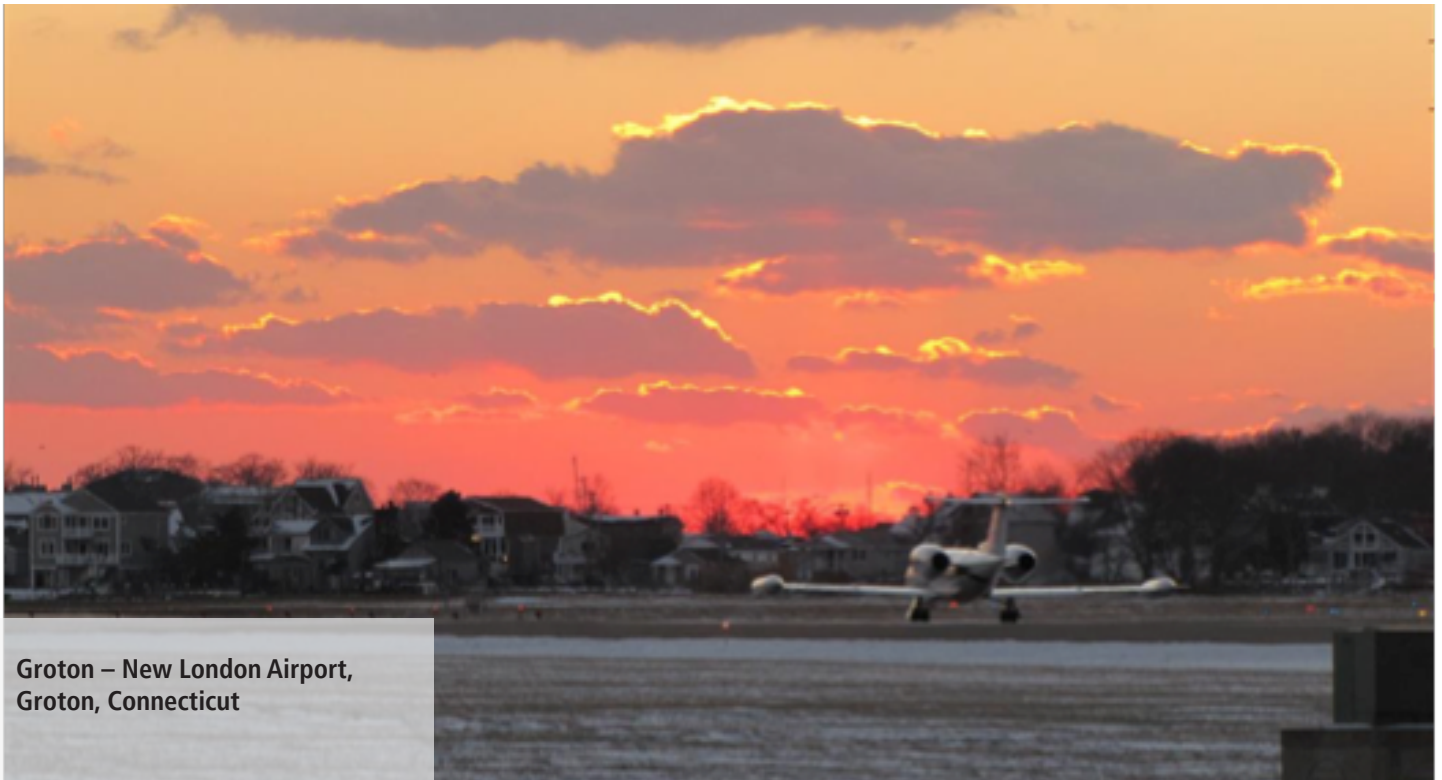
Welcome and Thank You for Doing Business in Groton!

Business in Groton

Groton is happy you are looking to locate or expand your business here. We want to help you succeed as Groton is a great place to do business.

Starting a new business, expanding or relocating an existing business is exciting. Developing a business plan, securing financing, selecting a site, obtaining permits and construction can all be challenging tasks. The Office of Planning and Development Services—including Planning, Economic Development, Community Development, and Inspection Services—is here to assist you to navigate the process and will make the municipal permitting process as simple as possible.

This guide clarifies the core elements of growing your business and provides an understanding of the process and how to get started. It is not intended to replace assistance by qualified professionals. If you have any questions, please feel free to contact the Office of Planning and Development Services.



Groton – New London Airport,
Groton, Connecticut

Your Business Plan

What is a Business Plan?

What will your business be? What are you selling? Who are your customers? How much money is needed to pay utility bills each month? These are some questions needing answers when speaking to people about your business. It is about defining what your business approach is, understanding the market, and identifying the values of your new company. If you cannot explain your business to others, then it will be difficult for them to help you.

If starting, relocating, or expanding a business, experts strongly recommend first defining your business with a business plan (see sidebar). The business plan will help identify where your business is going and can be an important tool for benchmarking progress. It is also an important tool to test the business strategy and success.

There are many professionals who are available to review the business plan and provide constructive feedback on how to improve. A well planned business is more likely to succeed.

Business Plan

Development does not require a tremendous amount of time or energy, but it does require serious consideration and understanding of business objectives. Use the professional advice that is available (see pro tip below). If seeking a loan, test the business plan with peers before bringing it to a potential lender.

Key elements to consider in developing a business plan:

- What is your business? How will it make a profit?
- What will it cost to start the business?
- Where will startup funds be derived?
- Who are your customers? What is your marketing strategy?
- Will you have employees? How many? How will you attract them?

PRO TIP

Need help defining or redefining your business and understanding the market?

The Connecticut Small Business Development Center is a great free resource.

Visit: ctsfdc.com

Contact: ctsfdc@uconn.edu or 860.486.4270



BUSINESS PLAN

An ongoing operational plan that forecasts business needs, allocates resources and prepares for opportunities and problems.

CONTENTS OF A BUSINESS PLAN

- Company Background and Purpose
 - History
 - Business objectives and goals
- Market Analysis
 - Market segment
 - Competition
 - Sales forecasts
 - Product or Service Development
- Marketing
 - Strategy
 - Contingency plans
 - Surveys
- Financial Data
 - Current financial position
 - Cost control measure
 - Break-even analysis
 - Financial ratios
 - Financial projections
- Organizational Structure and Management
 - Key personnel
 - Advisors
 - Forecasted labor force
- Ownership
 - Business structure
 - Capitalization
 - Exit strategy
 - Royalty/licensing
- Risk Factors

Your Business Plan

Funding

What funding is needed to start your business, and operate it for the next year?

Where will you get those funds?
How much are you investing in this venture?

Equipment

What equipment do you have and need?

How much will this equipment cost to purchase, operate and maintain?

Cash Flow

What is your current and estimated cash flow for the business?

Break Even

What is the minimum required revenue required to meet your operating costs each month?

Lenders

Lenders will also want to see:

- Balance Sheets (3 years of projected revenue)
- Cash flow statements (current and projected for a minimum of 2 years)
- Tax returns (previous 3 years)

Why designing a business plan is the critical first step.

Without a business plan it is challenging to:

Reasons

understand the strengths and weaknesses of your idea

No business desires to fail, but many do. Often, a lack of awareness about the business strengths and weaknesses is the result. A business plan can help identify competitive edges and elements within the marketplace that must be overcome in order to succeed.

know whether the "right" property location is affordable

How much income will the business generate on a monthly basis? If not known, it is difficult to determine a reasonable lease term? Will the utilities or staffing be affordable?

find business incentives that match your business's needs

Many incentives are aligned with how the business will use funds. Being able to show "sources and uses" of funds is an important step to align potential grants and incentives.

determine the extent of required permitting and licensing

It is important to identify what permits are required, what is required to secure a permit and how much time and money is needed to secure the permits.

know whether lenders will support your idea

Lenders will not loan funds unless confident your project is worth the risk. A good business plan will illustrate confidence to enable your business to earn serious consideration from lenders.

Additionally, it will be easier for town agencies to help you if you have a clear definition of what you are proposing to do. Town staff are eager to help.

PRO TIP

Create a business notebook. Put everything you develop or find in the notebook. The more information you collect, the easier it becomes to develop a business plan. If you start out trying to write the business plan without any information, you may become discouraged.

Your Business Plan

Business Plan Outline

Introduction

The introduction should provide a detailed description of your proposed business.

Marketing

What products and services are offered and who will buy them? It is important to understand who your customers are, where do they come from and why they would choose your product or service.

Financial Management

How much funding is involved and where is it coming from? How are planned expenses managed? How will revenue be accounted and handled?

Operations

Provide details about the daily management of the business. What is the procedure for hiring new employees? Identify insurance, lease arrangements, taxes and other elements that are part of your operating costs.

Concluding Statement

Provide a summary of your business goals and objectives. Reinforce your commitment to the success of the business and highlight attributes that support that statement.

OPERATE AS A BUSINESS

Search the internet for similar-named businesses

Seek professional assistance (e.g., lawyer, accountant)

File Business Structure with the State:
www.concord-sots.ct.gov

Register for the Federal Employer Identification Number (EIN):
www.irs.gov

Register for State Tax:
www.ct.gov/drs

File Trade Name with the Town Clerk:
www.groton-ct.gov/depts/twnclk/

Secure Local Permits (e.g., zoning, building, fire, utility) and Certificate of Occupancy; Process Varies.
Contact Groton Office of Planning and Development Services for technical assistance:
www.groton-ct.gov/depts/plandev/

Contact Groton Assessors Office for information relating to tax obligations of the business: www.groton-ct.gov/depts/finance/assessment.asp

Secure State Licenses and Permits:
www.ct-clc.com

Open Your Business

PRO TIP

Use your professional network to help. Do you know business people? Ask them for advice. Find a mentor. Create a team that you can turn to that will help you understand concepts that you are unfamiliar with.

Your Business Plan

Develop Your Business Startup TO DO Checklist

The "To Do Checklist" is not a daily task list, but rather the overall actions needed to launch your business. It identifies required steps for your specific proposal? This checklist is a dynamic tool. It will change and be refined over time. Once you have defined your business and drafted a business plan use this checklist to guide you through the process.

Sample To Do Checklist:

STEP		STATUS
1	Connect with Local Resources	<input type="checkbox"/>
2	Identify Your Business Location	<input type="checkbox"/>
3	Check Local Requirements	<input type="checkbox"/>
4	Secure Permits and Licenses	<input type="checkbox"/>
5	Secure Funding	<input type="checkbox"/>
6	Sign Lease / Purchase Property	<input type="checkbox"/>
7	Sign Up for Utilities	<input type="checkbox"/>
8	Hire Employees / Open	<input type="checkbox"/>
9	Sharing the News	<input type="checkbox"/>
10	Networking and Growing your business	<input type="checkbox"/>



Have a Plan?
Let's start growing!

Connect With Local Resources

STEP 1

Whether you are looking for assistance with a business plan, financing, hiring/training or more, there are many resources available with many that are free. Take advantage of these resources listed below whenever needed.

REGIONAL RESOURCES

GREATER MYSTIC CHAMBER OF COMMERCE

mysticchamber.org | 860.572.9578

22 E. Main Street | P.O. Box 143 | Mystic | Connecticut 06355

Becoming a member of The Greater Mystic Chamber of Commerce is an investment for you and our community. Their sole focus is to enhance local business competitiveness by encouraging innovation, strength in numbers, direct connections, and support. Chamber membership is open to any business, as well as anyone with an interest in belonging.



CHAMBER OF COMMERCE OF EASTERN CONNECTICUT

chamberect.com | 860.701.9113 | 914 Hartford Turnpike | Waterford | Connecticut 06385

The Chamber of Commerce of Eastern Connecticut is a collaborative of business and community leaders dedicated to securing and enhancing the economic vitality of eastern Connecticut. With a regional chamber, you're part of something bigger.



SOUTHEASTERN CONNECTICUT ENTERPRISE REGION

sector.org | 860.437.4659

19-B Thames Street | Groton | Connecticut 06340

The Southeastern Connecticut Enterprise Region (seCTer) is a public-private regional economic development agency serving the towns of New London County Connecticut. Their mission is to promote and preserve the region's attractiveness, to encourage new businesses, and to assist and to nurture existing and expanding local enterprises.



STATE PROGRAMS

CT Small Business Development Center (CT SBDC)

ctsbdc.com | 855.4CT.SBDC (855.428.7232)

Email: CTSBDC@uconn.edu

University of Connecticut | 2100 Hillside Road | Storrs | Connecticut 06269

SBDC provides customized, no-cost, confidential service via their team of expert advisors. Assistance includes loan and grant applications, business plan reviews, marketing and social media training, and cost analysis and financial planning.



Connect With Local Resources

STEP 1



AdvanceCT

advanceCT.org | 860.571.7136
805 Brook Street, Building 4 | Rocky Hill | Connecticut 06067

Provides quick and easy access to information on starting, expanding and relocating a business in Connecticut. AdvanceCT's information specialists are available free of charge to provide guidance and access to programs and services that support business formation and growth.



Connecticut Department of Economic and Community Development (DECD)

ct.gov/ecd | 860-500-2307
DECD@ct.gov
505 Hudson Street | Hartford | Connecticut 06106-7106

DECD is the state's lead agency for the development and implementation of policies, strategies and programs that support business growth and innovation. The department offers a wide range of programs and services to help companies prosper, including financing, tax credits and incentives, site selection, and workforce training.

PROGRAMS OFFERED BY NON-PROFITS



Southeastern CT SCORE

sect.score.org | 860.388.9508

Small business training programs and mentoring are held throughout southeastern Connecticut conducted by retired business professionals.



Eastern Workforce Investment Board (EWIB)

ewib.org | 860.859.4100

Provides a variety of business support and job training services. EWIB works with local, state, and federal legislators, chief elected officials and businesses to ensure that the constantly changing needs of the Eastern Connecticut's employers and job-seekers are met in a manner that keeps the region at the forefront of industry and technology.



Community Investment Corporation (CIC)

ciclending.com | 203.776.6172 ex. 120

CIC is a non-profit economic development lender contributing financial expertise and practical guidance to small business entrepreneurs in Connecticut and Rhode Island who have powerful ideas and need more power to grow them.

Connect With Local Resources

STEP 1

Community Economic Development Fund (CEDF)

cedf.com | 203.235.2333



CEDF is a statewide non-profit organization that helps start, stabilize and grow small businesses in Connecticut that are not bankable. Created in 1994, CEDF provides access to capital, financial skills training and guidance. In 20 years they have provided millions of dollars in small business loans, helped create thousands of jobs and empowered small business through its Business Education Center.

FEDERAL PROGRAMS

Small Business Administration (SBA)

sba.gov | 800-827-5722



SBA's mission is to help entrepreneurs realize their potential as small business owners. The Connecticut District Office takes pride in their work, particularly when it empowers businesspeople to turn ideas into reality. They feel that each successful business in Connecticut contributes to Connecticut's prosperity, not only for the company's owners and employees, but also for the community as a whole. *Many lending institutions have direct access to SBA funding

U.S. Export Assistance Center

US Department of Commerce

export.gov | 860-638-6950

213 Court Street Suite 903 | Middletown, CT 06457



Developed by international trade experts and economists, Export.gov provides trusted market intelligence, practical advice and business tools to help U.S. companies expand in global markets.

PRO TIP

Use your network. Let it work for you. Groups like the Small Business Development Center are great at making introductions. Try not to rely solely on cold-calls.

Identify your Business Location

STEP 2

Groton is the right place for your business. There are many different business locations offering various benefits. There are important questions that should be considered when selecting a location for your business:

- Where are your customers located?
- Who is your competition and where are they located?
- Do you rely on pedestrian or drive-by traffic?
- Will you need parking?
- What type of space do you need (e.g., storefront, back office, garage, physical warehouse)
- How much space is needed?
- What is the desired budget for the space?

The Groton Office of Planning and Development Services (OPDS) may be able to help you assess traffic, demographics of the area, and local permit requirements. In terms of location, as the point of contact, OPDS can assist with the concept stage including finding a location, ideas, concepts, and preliminary investigations.

PRO TIP

Do not commit to any legal or financial obligations until addressing key site considerations.

Do not sign a lease or purchase agreement until checking with the Groton Office of Planning and Development Services.

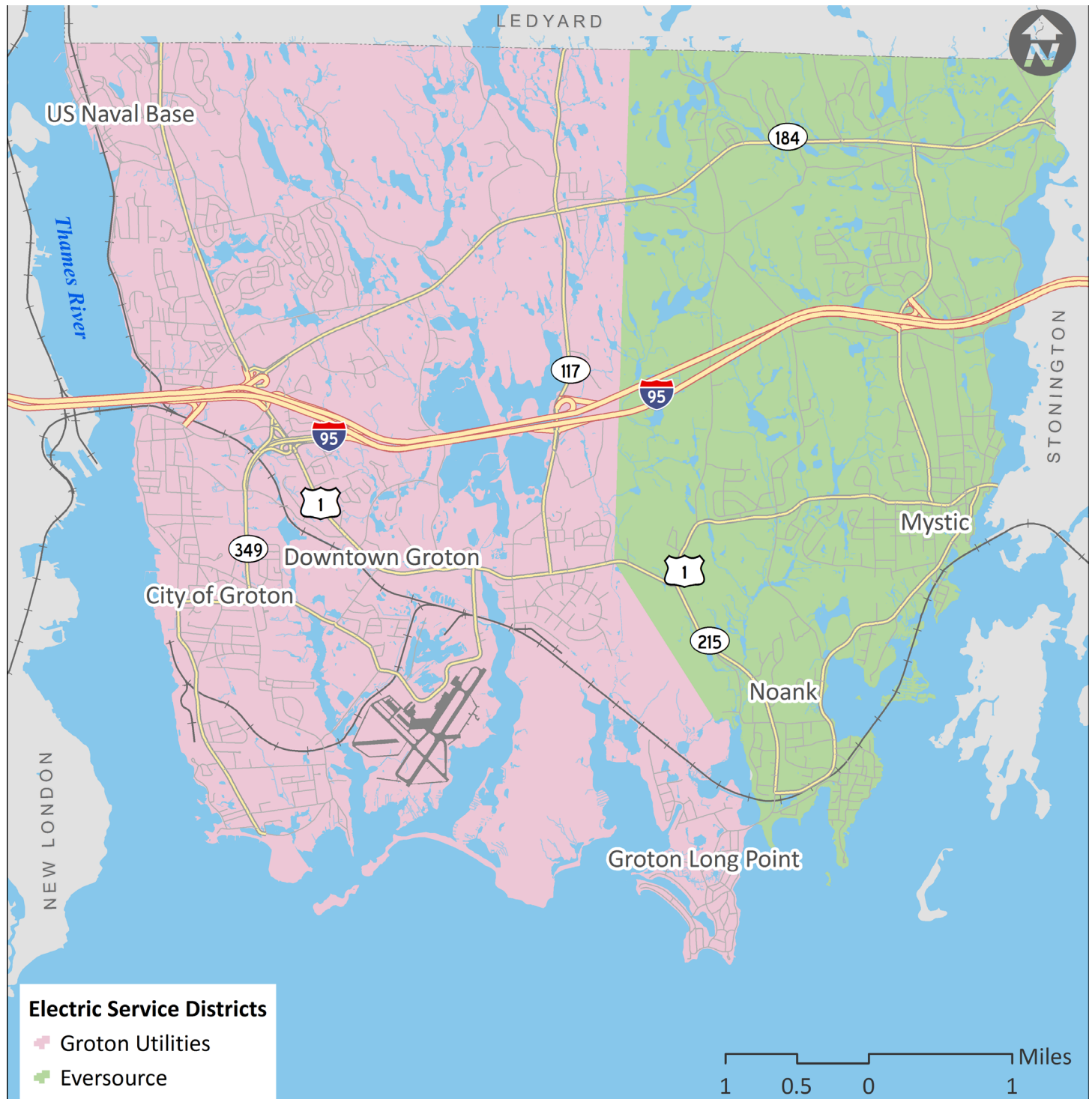
Questions You Should Ask When The Correct Site is Found

1. Is the site zoned appropriately?
2. Is the facility large enough?
Does it offer room for all the space you need? Is there room to grow?
3. Does it meet layout requirements?
4. Does the building need any repairs?
5. Do the existing utilities, lighting, heating and cooling meet your needs?
Is ventilation adequate?
6. Are the lease terms and rent favorable?
7. Is the location convenient to where you live?
8. Can you find qualified employees in the area?
9. Are customers nearby?
Is the population sufficient for your sales needs?
10. Is the trade area dependent on seasonal business?
11. If the selected location is relatively remote from your customer base, are the higher advertising expenses affordable?
12. Is the facility consistent with the business image?
13. Is exterior lighting in the area adequate to make customers feel safe?
14. Are neighboring businesses likely to attract customers who will also patronize your business?
15. Are there any competitors located nearby? If so, can you compete with them?
16. Are there abutting residential homes that may object to the business?
17. Is the facility easily accessible to your potential customers?
18. Is parking available and adequate?
19. Is the area served by public transportation?
20. Can suppliers conveniently make deliveries?
21. How will waste be disposed?

Identify your Business Location

STEP 2

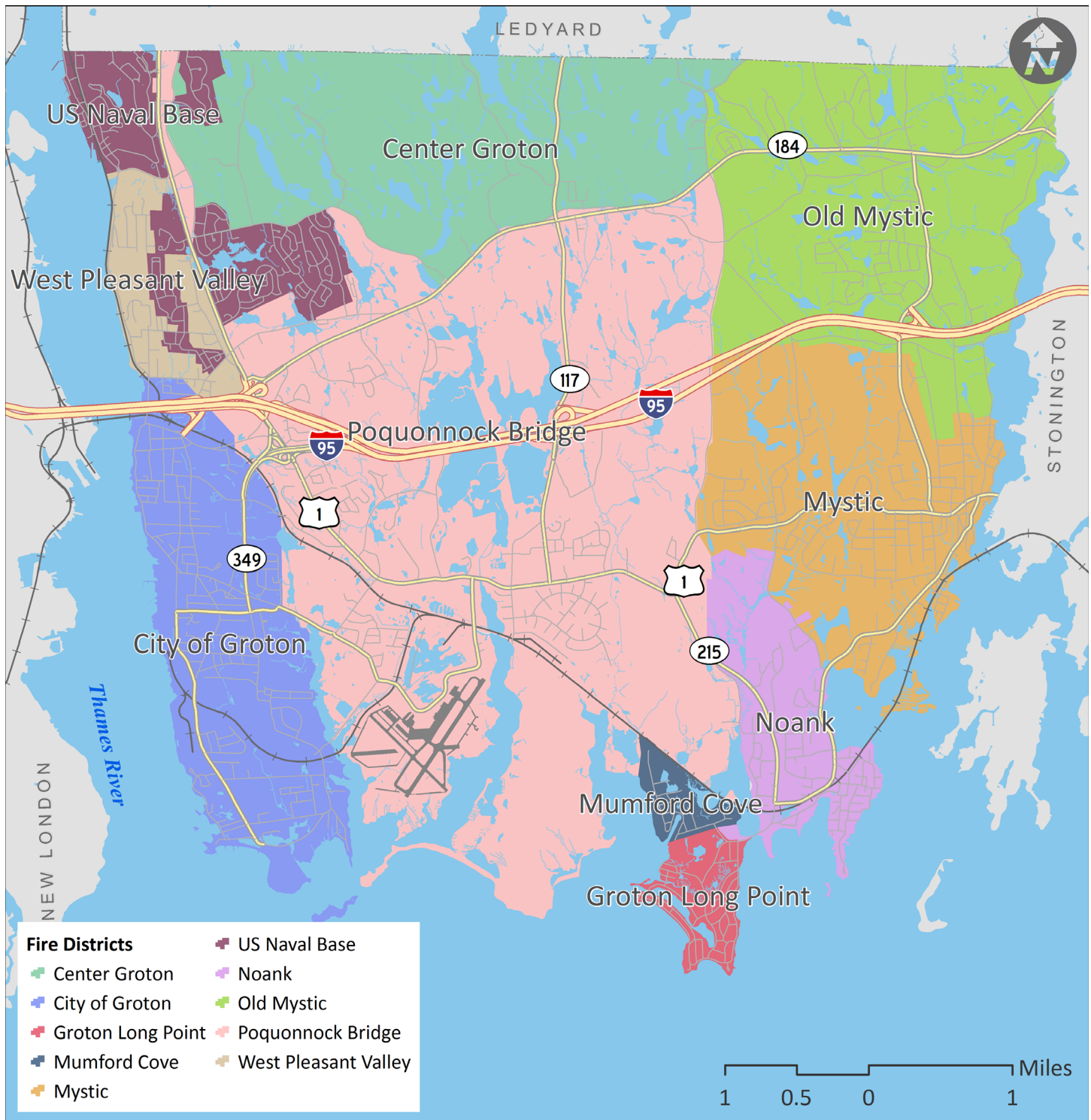
Groton Electric Service Districts



Identify your Business Location

STEP 2

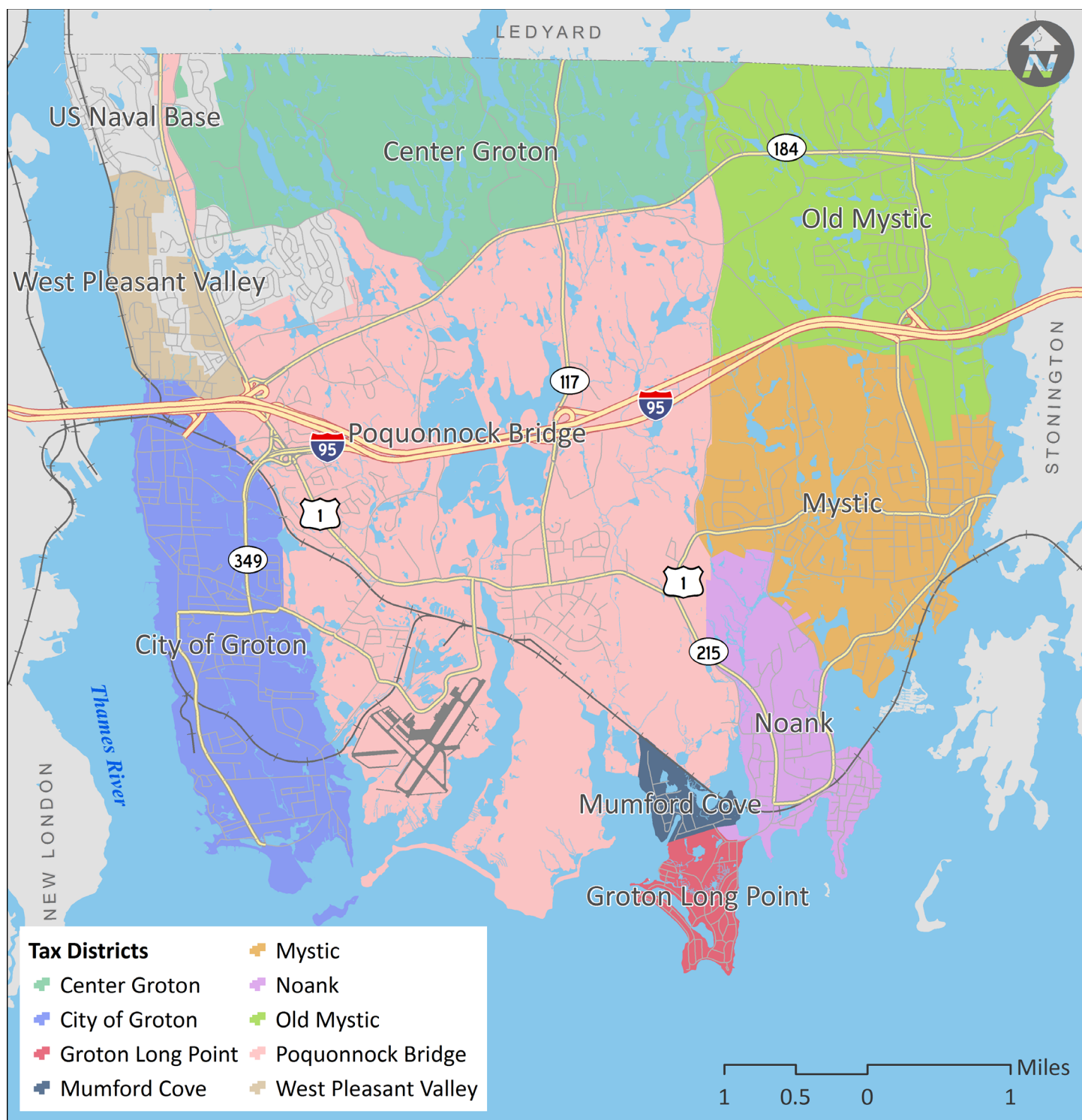
Groton Fire Districts



Identify your Business Location

STEP 2

Groton Tax Districts



Identify your Business Location

STEP 2

Picking an Area for your Business

Once the location preferences are known, you can then start to think about what part of Groton makes sense. Below is an overview of various locations in Groton, and the community's vision for what businesses might locate there:

Downtown Groton

- Located along U.S. Route 1
- The commercial hub of Groton
- Prime area for small local businesses

City of Groton

- A semiautonomous political entity within the Town of Groton
 - Provides its own municipal services
- If you are considering the City of Groton as your location, contact the City of Groton Planning Department and/or Building and Zoning Department for guidance and assistance.

Mystic Village

- Spans the Mystic River within the Towns of Groton and Stonington.
- One of the largest tourist destinations in the state
- A great opportunity for locally-owned retail and hospitality businesses.

Noank Village

- A political subdivision of the Town of Groton with independent zoning authority.
- A popular coastal tourism destination
- A great location for tourism and hospitality related businesses.

Route 12 Commercial Area

- A regional commercial development area with large national chains that is automobile dependant
- A prime location for retail and other commercial businesses.

Center Groton

- Located at the intersection of State Routes 184 and 117.
- This is small village area ideal for small businesses and mixed uses.

Poquonnock Bridge Village

- Mixed-use area east of Downtown Groton
- Has small business development and redevelopment opportunities located near the Groton Town Hall, Community Center, Library, and Senior Center in a walkable area.

The business plan should have helped identify the locational attributes needed to be successful. Finding the right location is critical. The three primary real estate principles are: Location, Location, Location.

Location (1)

For certain businesses, a location with high exposure is a critical aspect. Restaurants and retail require locations with visibility. Good visibility comes from:

- High traffic volumes (e.g., number of cars, pedestrians, bicycles) means more people will see your business.
- Landmark buildings. Places that people know can become successful because of the building.

Location (2)

Exposure is not enough. For many businesses, being in the right market / marketplace is important. What competition exists? Are there customers nearby?

Location (3)

For some businesses, location is determined by price and availability. Sites in remote areas, or large complexes that have limited or no visibility can work for businesses with no visitors, or that do not rely on local customers. Web-based businesses can thrive in these lower-cost locations.

Need Help Finding a Location?

ECAR | easternctrealtors.com

Eastern Connecticut Association of Realtors (ECAR), the voice for real estate in eastern Connecticut, is a great resource. Real estate agencies that specialize in commercial properties are a great asset when looking for a space. Groton staff can also assist.

CERC | ctsiterfinder.com

The Connecticut Economic Resource Center (CERC) has a comprehensive list of commercial properties.

Check Local Requirements

STEP 3

LOCAL INCENTIVES

Enterprise Zone

Benefits may include:

- An 80% five-year local property tax abatement
- A 25% or a 50% credit on the state corporate business tax. ct.gov/ecd

Economic Assistance Fund

Financial grant support for public infrastructure associated with new projects.

Brownfields Loan Program

Low-interest loans for brownfield investigation, assessment, remediation, and development. Available for manufacturing, retail, residential, or mixed-use developments—expansions and reuses.

Local Tax Abatement Program

Tax abatements targeted toward projects with high anticipated job-creation and other economic benefits. Eligible for facilities and manufacturing machinery and equipment upgrades.

Tax Increment Financing (TIF)

Tax credit program for large projects (over \$1 million) with credits back to developer if public improvements are being made.

The permitting process can be complicated. There is no one size fits all approach to getting the permits needed for your business. This guide provides background information regarding the types of permits that may be required, and which agencies you should speak with as part of the business start-up process. Keep the following in mind:

- Before applying for any permits, purchasing a building, or signing a lease, check (and double-check) all local requirements.
- Is the property zoned appropriately? Some sites may not be zoned for the use you are proposing. The Zoning Official is a great resource to determine whether the zoning is correct and if there are any other land use limitations.
- Are there wetlands? What kind of land use approvals are needed?
- Are there adequate public utilities serving the site?
- Some properties may have issues with state building and fire codes. It is important to make sure those issues are addressed prior to occupying a site. Solving problems after the fact can be very expensive, and may require your business to cease operations to bring the site into compliance.
- One can never ask enough questions. Be sure to document who you spoke with and the specific responses provided. Always take notes and write down answers.
- Does the State Building Code allow for the use? The local Building Official can answer this question.
- Does the Fire Code allow the use? The Fire Marshal can answer this question.
- Are there any incentives to locate in this part of the town? Review the incentive list in the sidebar.



Key Contact Numbers

Groton Office of
Planning & Development
860.446.5970

Economic Development
860.446.5960

Zoning & Building 860.446.5982

Town Clerk's Office
860.441.6640

City Clerk's Office
860.446.4102

City Zoning & Building
860.446.4104

Center Groton Fire
860.445.5775

City Groton Fire
860.445.2456

Noank Fire
860.536.7366

Old Mystic Fire
860.536.2220

Eversource Business
Electric 888.783.6617
Natural Gas 888.688.7267

Groton Utilities
860.446.4000

Noank Water
860.536.7366

Ledge Light Health
860.448.4882

Noank Zoning
860.536.7366

City of Groton Planning
860.446.4169

Groton Long Point
860.536.4736

Local Permitting and Jurisdictions

The Town of Groton is comprised of the following ten fire districts.

- Poquonnock Bridge
- Center Groton
- Mystic
- Old Mystic
- West Pleasant Valley
- Noank
- Groton Long Point
- City of Groton
- US Navy SUBASE
- Mumford Cove

While some of these subdivision are simply fire districts, others provide various degrees of government services, including permitting, as follows:

- In the cases of the City of Groton, the US Navy SUBASE, and Groton Long Point, property owners should contact those agencies directly. The Town of Groton has no permitting authority in those districts.
- In Poquonnock Bridge, Center Groton, Mystic, Old Mystic, and West Pleasant Valley, the Town of Groton handles all the permitting related to public works, wetlands, planning, and zoning.
- Both Groton Long Point and Noank administer their own zoning.
- In addition, there is overlap in public works permitting in Groton Long Point between the Town of Groton and Groton Long Point Association.

All fire districts have their own Fire Marshall with the exception of the US Navy Sub Base.



Secure Permits and Licenses

STEP 4

① Preliminary Discussion

Prior to selecting a business location, you may wish to contact the Town of Groton's economic development team. They can help you discuss project concepts, identify available sites, advise on possible incentives, and provide liaison services for you and the various town divisions.

② Zoning Approval

The scope of your project will dictate the land use and permit requirements from the Town.

- Are you building a new facility, or adding on to a facility? If yes, check with Planning to identify the permit requirements for new construction.
- Are you proposing to use an existing facility or remodeling? If yes, follow steps 3, 4, 5, 6, 7 and 8. There are different requirements for each of these approaches.

③ Building Approval

The scope of your project will dictate the permit requirements from the Building Official and Fire Marshal.

- Using an existing building, but changing the existing building use? If yes, a change of building use requires review by the Zoning Official, Planning, Building Official, Ledge Light Health District and Fire Marshal.
- Interior renovations? If yes, interior renovations require review by the Building Official, Ledge Light Health District and Fire Marshal.

④ Fire Marshal Approval

- A change of business type? The current facility is used as an office and you are going to use it as an office with no changes? If yes, follow steps 5, 6, 7 and 8 below.

⑤ Public Utility Approval

Contact the appropriate utilities based on site's location for utility connections. Utility deposits must be paid prior to building occupancy.

⑥ Health Department Approval

The Ledge Light Health District manages health and safety in Groton. Permits are required if you are planning to:

- Prepare or serve food,
- Make modifications to the on-site wastewater system, or
- Change of use.

Contact the Ledge Light Health District for detailed information about their permit requirements.

Secure Permits and Licenses

STEP 4

⑦ Police Department Approval

Vendor permits require Police Department approval. Contact Town of Groton Police Department.

860.441.6710 | www.groton-ct.gov/depts/police

⑧ Town Clerk

If you plan to operate under a different name than your own name, a Trade Name Certificate is required. Trade Name Certificates are filed in the Town Clerk's Office.

860.441.6640 | www.groton-ct.gov/depts/twnclk/

State Permitting

① Department of Revenue Services

Sales and Use Tax Permit

860.297.4900 | ct.gov/drs

② Department of Labor

Employer ID
Unemployment Compensation

860.263.6000 | ctdol.state.ct.us

③ Secretary of State

All firms forming a corporation, limited partnership, limited liability partnership or limited liability company must file with the Connecticut Secretary of the State.

860.509.6100 | concord-sots.ct.gov

Special Licensing

There are many types of businesses that need special licenses to operate.

These include:

Catering Permit – Ledge Light Health District | 860.448.4882

Day Care – Ledge Light Health District | 860.448.4882

Food Handling Permit – Ledge Light Health District | 860.448.4882

Home-Based Business – Zoning | 860.446.5982

Liquor License – CT Dept. of Consumer Protection | 860.920.6500

Outdoor Dining – Ledge Light Health District | 860.448.4882

Land Use Permit – Planning | 860.446.5970

Outdoor Entertainment Land Use Permit – Planning | 860.446.5970

Professional Regulation - e.g., appraiser, architect, electrician (CT Dept. of Consumer Protection) | 860.713.6135

Beauty Salon – Ledge Light Health District | 860.448.4882

Vendor Permit – Groton Police Department | 860.441.6710

Weights and Measurement License – CT Dept. of Consumer Protection | 860.713.6135

Federal Permitting

① Internal Revenue Service

Obtain your federal tax information. The Internal Revenue Service (IRS) has application forms available online for a federal employer ID number (EIN) and federal taxes.

IRS Form SS-4 is required if you plan to have employees. You will be required to make regular payments for social security and employee withholding tax. If you are a sole proprietor and expect to owe \$1,000 or more in personal income tax, then it is recommended that you file estimated quarterly payments to minimize the end-of-year tax impacts.

The IRS conducts workshops and courses geared to small businesses.
irs.gov

Note:

There may be other federal permits required if the business impacts federal properties or waterway (e.g. Corps of Engineers), but this is uncommon.

Purpose of an Employer Identification Number

Employer Identification Numbers are issued for the purpose of tax administration and are not intended for participation in any other activities (e.g., tax lien auction or sales, lotteries).

PRO TIP

Meetings are great. However, it is easy for miscommunications to happen when verbal information is presented. When possible, get responses in writing. It will provide you with a chance to reflect upon the information, and perhaps identify additional questions that you need answered.

Your business plan is an important gateway into the funding market. Most funding agencies, including potential government partners, are going to be interested in the various financial aspects of your proposed business, including any partners. There are five “C”s of financing to understand:

Capacity

A borrower’s ability to repay is the most important factor in the lending world. Lenders will want to know how you are going to repay a loan. There is no better indicator of future performance than past performance. Elements like your credit score and how existing debts are paid are very important considerations.

Capital

Lenders will also want to see your level of commitment in this business venture. All business ventures involve risk. If you have not taken on risk, they may not be willing to accept risk on your behalf.

Collateral

Collateral and guarantees help reduce the risk that lenders assume when they lend you money. Collateral involves the use of an existing asset to secure the loan, while a guarantee involves a third-party promissory commitment.

Conditions

How will the money be used? Lenders need to know that money is going into the business, rather than to offset personal obligations of the business owner.

Character

Many lenders can sense the seriousness of the business venture. Do you have what it takes to run the business? What background do you have in the industry? Do your references provide insight into your business acumen?

Sources and Uses

The easiest way to think of your funding needs is to put them into either the sources (where funding is coming from) or uses (how funding is being spent).

For many start-ups, cooperation among lenders is the key. Many new businesses need to piece together a patchwork of funding to satisfy their financing. Banks, alternative lenders, government programs, family and friends often become partners to assist in the development of business.

If you encounter resistance in obtaining financing, review your business plan and strengthen areas of concern identified by potential lenders. Alternative lenders may be required if traditional financing is problematic.

Facts About Government Grants

Financing your start-up or expansion should be considered as you begin your planning. It makes no sense to think of planning and financing separately. Financing can take an unexpected amount of time, so identifying key issues of your financing plan is wise.

The federal government does not give money away to businesses. There are several programs available for businesses, but these programs require commitment, a business plan, and a project that fits into the program requirements of the particular program.

What if you do not qualify for traditional financing through a bank?

There are several “alternative lenders,” listed below. These lenders often have more flexibility than banks. Once your business is established and proven, a banking institution is more likely to favorably consider the request. In general, banks have stricter guidelines on risk than alternative lenders. However, banks are better suited to grow along with your business, and their many valuable services and products could ultimately present your venture with more choices and greater flexibility.

Local Banks & Lenders

Traditional Lenders

Chelsea Groton Bank
chelseagroton.com | 860.448.4252

Citizens Bank
citizensbank.com | 860.448.4000

Charter Oak Federal Credit Union
charteroak.org | 860.446.8085

CorePlus Federal Credit Union
coreplus.org | 860.886.0576

Groton Municipal Employees
Federal Credit Union
grotonmefcu.org | 860.446.4121

Navy Federal Credit Union
navyfederal.org | 860.842.6328

Liberty Bank
liberty-bank.com | 860.570.0773

People’s United
peoples.com | 860.445.0882

Berkshire Bank
berkshirebank.com | 860.448.3738

Scient Federal Credit Union
scientfcu.org | 860.823.4915

United Bank
bankatunited.com | 860.441.0004

Alternative Lenders

Connecticut Community Investment Corporation (CIC) | ctcic.org / 203.776.6172

Community Economic Development Fund (CEDF) | cedf.com / 203.235.2333

Southeastern Connecticut Enterprise Region (seCTer) | sector.org / 860.437.4659

Lease Tips

Here are some things to think about when entering a commercial lease. For more details, the U.S. Federal Small Business Administration (SBA) is a good resource.

READ THE LEASE CAREFULLY

Read over your lease in detail and hire an attorney who specializes in commercial real estate to review the clauses and fine print.

Setting the Term (Length) of Your Lease

When negotiating the term and the rental rate, give yourself some flexibility for the long term. You may want to negotiate a one to two year lease with the option to renew. Be sure to factor in and negotiate rent increases over the term and renewal options so that you are not unexpectedly hit with a rent increase. It's worth talking to a real estate lawyer before consulting a broker; they can often recommend the right choice for you and work with you as you negotiate your lease through the broker.

Key Questions to Ask

What about expenses?

Commercial real estate landlords often add on extras such as maintenance fees, upkeep for shared facilities (Common Area Maintenance or CAM), etc. What about utilities? These charges are usually the responsibility of the tenant, but how are they measured, are they individually metered or apportioned by the square footage? Ask to see these "hidden fees" and policies as well as examples of costs that are typically incurred by tenants.

Who handles maintenance and repair?

In contrast to most residential leases, commercial leases can stipulate that the tenant is responsible for all property upkeep and repairs. Other commercial lease agreements may specify that the tenant is responsible for systems such as the air conditioning, plumbing, etc. Every lease agreement will vary so be sure to check your lease. In addition to stating who is responsible for what, it may also contain dollar limits on how much the tenant must pay for maintenance and repair. An attorney can help clarify your legal options.

What if you default?

Businesses often close down without prior notice because they defaulted on their lease. Protect your interests and your customers by knowing what you are agreeing to up front. Will you be locked out immediately? Will the landlord initiate eviction proceedings? Can you negotiate more time for yourself should you default? If you default could you pay only the month's rent owed as opposed to the remaining money owed on the lease? It's worth investigating.

Glossary

Base Rent: A set amount used as a minimum rent in a lease with provisions for increasing the rent over the term of the lease.

Build-out: The space improvements put in place per the tenant's specifications. Takes into consideration the amount of Tenant Finish Allowance provided for in the lease agreement

Certificate of Occupancy: A document issued by the Town Building Department certifying that a building has been satisfactorily inspected and is in a condition suitable for occupancy.

Common Area Maintenance (CAM): This is the amount of additional rent charged to the tenant, in addition to the base rent, to maintain the common areas of the property shared by the tenants and from which all tenants benefit (e.g., snow removal, outdoor lighting, parking lot sweeping, insurance, property taxes).

Concessions: Cash or cash equivalents expended by the landlord in the form of rental abatement, additional tenant finish allowance, moving expenses, cabling expenses or other monies expended to influence or persuade the tenant to sign a lease.

Default: The general failure to perform a legal or contractual duty or to discharge an obligation when due. Some specific examples are:

1) Failure to make a payment of rent when due.

2) The breach or failure to perform any of the terms of a lease agreement.

Effective Rent: The actual rental rate to be achieved by the landlord after deducting the value of concessions from the base rental rate paid by a tenant, usually expressed as an average rate over the term of the lease.

Gross Lease: A lease in which the tenant pays a flat sum for rent out of which the landlord must pay all expenses such as taxes, insurance, maintenance, utilities, etc.

Net Lease: A lease in which there is a provision for the tenant to pay, in addition to rent, certain costs associated with the operation of the property. These costs may include property taxes, insurance, repairs, utilities, and maintenance. There are also "NN" (double net) and "NNN" (triple net) leases. The difference between the three is the degree to which the tenant is responsible for operating costs. See also "Gross Lease."

Percentage Lease: Refers to a provision of the lease calling for the landlord to be paid a percentage of the tenant's gross sales as a component of rent. There is usually a base rent amount to which "percentage" rent is then added. This type of clause is most often found in retail leases.

Triple Net (NNN) Rent: A lease in which the tenant pays, in addition to rent, certain costs associated with a leased property, which may include property taxes, insurance premiums, repairs, utilities, and maintenances. There are also "Net Leases" and "NN" (double net) leases, depending upon the degree to which the tenant is responsible for operating costs. See also "Gross Lease."

Consider Adding Clauses to Protect Your Business

To protect your investment and long-term business interests, it's worth investigating and negotiating some potential add-on clauses to your lease. These might include:

- **Sublease** – Allowing a sublease adds some flexibility so that should your business plans change you can sublet your space to another business.
- **Exclusivity clause** – This prevents the landlord from leasing any other premises on the development to a direct competitor of yours.
- **Co-tenancy** – If the development has an anchor tenant such as a known retail brand and that tenant closes, a co-tenancy agreement can protect you from a potential loss of customers by allowing you to break the lease if the landlord doesn't replace the anchor tenant in a specified time period.

Other Considerations

BUSINESS INSURANCE

Like home insurance, business insurance protects your business against fire, theft and other losses. Contact your insurance agent or broker. It is prudent for any business to purchase a number of basic types of insurance. Some types of coverage are required by law, others simply make good business sense.

TAXES

Taxes are an important and complex aspect of owning and operating a successful business. Your accountant, payroll person, or tax adviser may be very knowledgeable, but there are still many facets of tax law that you should know. The Internal Revenue Service is a great source for tax information. When you are running a business, you don't need to be a tax expert. However, you do need to know some tax basics. The IRS Small Business/Self-Employed Tax Center gives you the information you need to stay tax compliant so your business can thrive.

Small Business/Self-Employed Tax Center | irs.gov

TOWN REAL ESTATE TAX

Most businesses have a lease that uses the NNN (triple net) approach. In this approach, your business is responsible for the portion of property taxes of the space you occupy. It is a good idea to get an understanding of what this cost will be prior to signing a lease.

TOWN BUSINESS PERSONAL PROPERTY DECLARATION

All Connecticut business owners that own personal property must file a "Personal Property Tax Declaration" report annually with the Town Assessor. This form can be found on the assessors page on the town's website: www.groton-ct.gov. This report has to be filed by November 1st and failure to do so or filing late will result in a penalty equal to 25% of the assessed value of the property (per State law). In the report, the businesses are required to declare most of the personal property used by the business. Real property (real estate) is not declared on this form. Communities assess the value of real estate and bills taxpayers accordingly. Similarly, registered vehicles are also not declared on this form. The Connecticut Department of Motor Vehicles (DMV) tracks these and notifies towns regarding the amounts owed.

TOWN MOTOR VEHICLE TAXES

Any vehicles used by the business are subject to Town Motor Vehicle Taxes.

PERSONAL PROPERTY DECLARATION

In general, personal property is anything that is moveable and is not a permanent part of real estate, including items such as business-owned furniture, fixtures, machinery or equipment.

All commercial businesses that have tangible business assets located in Groton are required by law to submit a declaration of their personal property assets to the Assessor each year by November 1.

A 25% assessment penalty is applied if the form is not submitted by the November 1 due date.

If you have a question regarding the personal property declaration form, or how an asset should be categorized please contact the Town Tax Assessor 860.441.6660.

ACTIVATING UTILITIES

Contact the applicable utility listed on the right to secure the appropriate utilities.

Be aware that differing application process and policies will apply.

NEW BUSINESS FEES

New businesses may be required to provide:

- Security Deposit
- Connection Fee (when applicable)

SECURITY DEPOSIT REQUIREMENTS

Some utilities require business customers to pay a security deposit equivalent to three months of estimated usage. The utility staff can assist with these calculations which can be based on a number of factors, including the history of the property, a comparable business in Groton, or projections of consumption.

CONNECTION FEE

Some utilities require business customer to pay connection fees. In some cases, such fees can be substantial. Therefore, you should research such fees in advance and incorporate such fees into your financial planning and start-up costs.

Public Utilities

Groton is serviced by a number of utility companies and to activate your utilities, you need to know who to contact. The following list of utility companies is provided to help get you started and put you in touch with the utility companies. Whether you are new to the Groton area, or a long-time local area business owner, the utility companies are here to serve you. The utility companies are equipped and trained to help you meet your needs for the following services:

- Electricity
- Telephone
- Internet
- Public water
- Sanitary sewer
- Natural gas

ELECTRICITY

Eversource is New England's largest energy delivery company and is responsible for building, maintaining and servicing the local distribution system for electricity, including substations, wires and poles. They offer programs and plans designed to meet the needs of your business. To stop, start, or transfer an account, call 1-800-785-6617.

On the Web | www.eversource.com/Content/ct-c/business

Groton Utilities

To contact customer service department and apply for commercial electricity service, follow the link below for the application form or email gucustomerservice@yurservice.com, call 860-446-4000

On the Web | grotonutilities.com/download/ccare/GU-CommercialApplicationForService.pdf

NATURAL GAS

Eversource, New England's largest energy delivery company and is responsible for providing, building, maintaining and servicing the local distribution system for natural gas. They offer many programs and plans designed to meet the needs of your business. To stop, start, or transfer an account, call 1-800-785-6617.

On the Web | www.eversource.com/Content/ct-c/business/switch/switch-to-gas

SANITARY SEWER / WASTEWATER

The Groton Public Works Department operates a 7.5 million gallon per day wastewater treatment plant and sanitary sewer collection system. The wastewater treatment plant is a vital part of our efforts to control pollution and protect our local water sources. For information about connecting your business to the sanitary sewer system contact Public

Works at 860.448.4083 to ensure the availability of sewer service at your property.

Groton Public Works | www.groton-ct.gov

Ledge Light Health District (LLHD) is the local health department for East Lyme, Groton, Ledyard, New London, North Stonington, Old Lyme, Stonington and Waterford, Connecticut. LLHD is responsible for permitting, reviewing and recording all activities related to the construction or repair of any subsurface sewage disposal system. In cooperation with the State Department of Consumer Protection, Ledge Light Health District is responsible for ensuring that on-site water wells are installed and maintained in a sanitary manner. LLHD is responsible for ensuring that proper separating distances are maintained between all sources of pollution, including septic systems, ground water drains, etc., and the well.

Ledge Light Health District | www.ledgelighthd.org

WATER

For information about connecting to the public water supply, contact the options below to ensure the availability of public water at your property.

Aquarion Water | www.aquarion.com/CT

Groton Utilities | www.grotonutilities.com

Other Utilities

OTHER UTILITY PROVIDERS INCLUDE:

- Frontier – land-line communications and data transmission via DSL | frontierct.com
- Xfinity – land-line communications and data transmission via cable | xfinity.com
- Atlantic broadband - land-line communications and data transmission | tvconnect.com/atlanticbroadband

PRO TIP

Meet with utility providers early to make sure that you understand what information they need to help you with your project.

FATS, OILS, AND GREASE (FOG)

Food service businesses have to be prepared to address FOG, i.e., fats, oils and grease that are disposed of down a drain and cause considerable damage to the town's sewer collection system and result in operational problems and added costs for the wastewater treatment facility.

The Connecticut Department of Energy and Environmental Protection (CT DEEP) instituted a General Permit for restaurants and other businesses that prepare food to reduce problems caused by FOG discharge.

Under the requirements of the permit, FOG-management equipment must be installed at all qualifying establishments. The equipment is designed to collect FOG until properly disposed of at approved disposal facilities.

For more information on FOG management and the General Permit

- Groton Public Works | 860.448.4083
- Ledge Light Health District | 860.448.4882
- CT DEEP Bureau of Water Management | 860.424.3755

Hiring Employees

Before hiring employees check with the Eastern Workforce Investment Board (EWIB) about the programs that may be available.

Eastern Workforce Investment Board (EWIB) www.ewib.org

STATE PROGRAMS

Job Expansion Tax Credit (JET) | ct.gov

Connecticut businesses may be eligible for tax credits of \$500 per month for each new full time job created.

CT Green Jobs Partnership - Incumbent Worker Training and Internship Programs | ewib.org

Funding is available for green companies that want to upgrade the skills of their workers, or a company that wants to train workers in a green technology.

Customized Job Training (CJT) Program | ctdol.state.ct.us

The CJT Program is designed to stimulate the creation and retention of jobs in the state by providing financial assistance for training that the company could not have otherwise provided. Financial assistance and non-financial assistance are provided to new, relocating, and expanding businesses that are training their workers. CJT funds short-term training, usually less than one year in length for programs that may include on-the-job training, classroom training, and support activities.

Employers that are targeted for funding requests include small to mid size (less than 500 employees) manufacturers who are remaining competitive by introducing new manufacturing processes, technologies, and/or quality systems are targeted. Priority is given to businesses that use high-performance work organization practices.

Step Up | ctdol.state.ct.us

The Subsidized Training and Employment Program (Step Up) is an initiative of the Connecticut Department of Labor and the state's five Workforce Investment Boards. Step Up offers two programs:

- Wage Subsidy Program
- Small Manufacturer Training Grant Program. Each program offers employer incentives to hire employees and create jobs.

Eligible companies, defined as a small business, or manufacturer with not more than 100 employees, can apply for one program for each new hire – an employer cannot use multiple programs for one new hire.

The program has been expanded to include the Unemployed Armed Forces Member Subsidized Training and Employment Program. This program, similar to the Wage Subsidy program, is available to eligible employers of any size that hire an unemployed veteran.

Connecticut Job Bank – Post Job Opportunities | ctdol.state.ct.us

Finding employees can sometime present a challenge. The Connecticut Department of Labor provides resources to link employers with employees.

WEB-BASED RESOURCES ON HIRING

Small Business Administration | sba.gov

A variety of video interviews with successful entrepreneurs.

Equal Employment Opportunity Commission and Small Businesses | eeoc.gov

What questions are okay to ask in an interview? This site has information on the most common questions that employers encounter and make it easier for you to comply with anti-discrimination laws.

SCORE Reading Room | score.org

Helpful articles on finding, hiring, developing and keeping great employees.

Business Owners Toolkit | toolkit.com

A website about all things Small Business including dozens of forms and articles on employee management.

PRO TIP

Check with job training programs prior to hiring employees.

Sharing the News

A press release is the quickest and easiest way to get free publicity. If well written, a press release can result in multiple published articles about your firm and its products. That can mean new prospects requesting you to sell to them. Be sure to send it out to traditional and new media sources.

ISSUE A PRESS RELEASE

With that in mind, here are five rules to make sure that your press release raises the business profile.

- RULE #1** Use the press release as a sales tool
The idea is to communicate a message to customers and prospects, through the vehicle of a print or online article, hopefully adding the authority and credibility of the publication, website and/or reporter to the message.
- RULE #2** Have a newsworthy story
To get your message communicated through the publication, you need to convince the reporter / editor that your message (or the story surrounding it) is newsworthy. It is important that you appeal to at least part of the readership of the publication.
- RULE #3** Write like a reporter would write it
If your press release looks and feels like a real article, reporters may file it as a story with minimal editing. Therefore, it's up to you to make sure that your press release looks and feels like a real article.
- RULE #4** Provide some good quotes
Make sure any quote attributed to your employees or business is knowledgeable, professional and reflects well upon your organization.
- RULE #5** Contact your top outlets personally
In addition to sending a press release, contact the reporters that you want to cover the story. Send them something personal.

TRADITIONAL MEDIA

- New London Day | theday.com | 860.542.3354
- WICH 1310 AM | wich.com | 860.887.3511
- WCTY 97.7 FM | wcty.com | 860.887.3511
- WFSB | wfsb.com | 860.728.3333
- WTNH | wtnh.com | 860.437.3118
- Q105 | q105.fm | 860.443.1980

NEW MEDIA

- Facebook
- Twitter
- Instagram
- Yelp
- Foursquare

WORD OF MOUTH MARKETING (WOMM)

Word-of-mouth marketing (WOMM, WOM-marketing), also called word of mouth advertising, differs from naturally occurring WOM, in that it is actively influenced or encouraged by organizations (e.g., “seeding” a message in a network, rewarding regular consumers to engage in WOM, employing WOM “agents”).

Marketers need to focus on the three E’s: Engage, Equip, Empower. If these are mastered, you can become the most beloved and talked about product in your category, which will ultimately lead to increased sales.

ENGAGE

Give fans the gift of you. Engage with them. Listen to what they say. Be part of the conversation about your brand. Be a presence in your fans’ lives. @NikeSupport is a prime example of customer service done well. They constantly respond to followers on Twitter, whether it’s about their apparel, Fuel Band or other products. Every few minutes, you can watch them respond to someone new.

EQUIP

Give them reasons to talk. It can be amazing products, great service, insider knowledge, social elevation, incredible stories, unbelievable facts or even funny disclosures. It’s on you. It really depends on understanding your consumers needs and what they like about you and providing whatever it is they need. For example, Apple revolutionizes technological devices and delivers amazing products to its consumers, allowing them to naturally rave about the newest iPhone.

EMPOWER

Give consumers different ways to talk and share. Let them know that they are important to you and that sharing their opinions is important. Help them find ways to share within their circles and find ways to help move their conversations around. Lay’s is an excellent example to highlight how they empowered their fans to “Do Us a Flavor,” and allow consumers to create a new flavor of potato chips to hit store shelves. Over 3.8 million submissions were sent in 2013 making it one of the biggest marketing campaigns for PepsiCo owned Frito-Lay.

Plan a Ribbon Cutting Ceremony

Ribbon cutting ceremonies are a time of celebration for a new business. It is the culmination of your hard work and perseverance. A ribbon cutting ceremony is also an opportunity to thank co-workers, friends, suppliers and other entities that have helped the company reach this point. A well-organized event can permit senior managers to mingle and celebrate, rather than worry about details and snags. Contact the Chamber of Commerce as they can coordinate and help with a ribbon cutting ceremony.

Consider Joining Business Associations

Business networking is one of the most overlooked steps in starting a business. Who is in your network? Are you getting referrals from them? How might you get more referrals?

Membership in the local chamber offers numerous benefits and keeps business owners on top of important, ever-changing issues and trends within their community and local marketplace. Research shows that consumers are more likely to do business with a company if it's a member of their local chamber of commerce.

Benefits of Chamber Membership:

Chambers of Commerce support their members with a wide range of benefits and opportunities.

Visibility & Exposure:

- Programs and networking opportunities.
- Membership Directory and Relocation Guide, viewed by thousands of businesses, residents, and visitors every year.
- Detailed listing on the website and direct web link back to your website.
- Free marketing of grand openings and ribbon-cuttings... the Chamber invites local government officials and brings the ceremonial scissors and ribbon.
- The Chamber will send out press releases on behalf of its members to local media outlets.

The Groton Area is served by two local Chambers of Commerce:

The Greater Mystic Chamber of Commerce (GMCC)

860.572.9578 | mysticchamber.org

The Greater Mystic Chamber of Commerce promotes business alliances, provides valuable benefits and services to its members, and serves as a strong community partner in the economic development and tourism efforts in the Greater Mystic area. It is a non-profit, member based organization that fosters and promotes business for members.

Chamber of Commerce of Eastern Connecticut

860.701.9113 | chamberect.com

The Chamber of Commerce of Eastern Connecticut is a collaborative of business and community leaders dedicated to securing and enhancing the economic vitality of eastern Connecticut. With a regional chamber, you're part of something bigger.

Other Resources

Town of Groton

ADMINISTRATION | groton-ct.gov

Town Manager | 860.441.6630

Assessor | 860.441.6660

Building Official & Zoning Enforcement | 860.446.5982

Community Development Office | 860.446.5960

Economic Development Department | 860.446.5960

Finance Department | 860.441.6690

Groton Utilities | 860.446.4000

Ledge Light Health Department | 860.448.4882

Planning and Development | 860.446.5970

Public Works | 860.448.4083

Tax Collector | 860.441.6670

Town Clerk | 860.441.6640

PUBLIC SAFETY

Emergency Management | 860.445.2000

Center Groton Fire District | 860.445.5775

Mystic Fire District | 860.536.8453

Noank Fire District | 860.536.7366

Old Mystic Fire District | 860.536.2220

Police Department | 860.441.6712

Poquonnock Bridge Fire District | 860.448.1384

West Pleasant Valley Fire District | 860.445.2456

OTHER AGENCIES

State of Connecticut

Department of Economic and Community Development | www.ct.gov/ecd

DECD Central Office | 860.270.8000

Your Business Summary

Business name

Type (service or product)

Address

Financing needs

Timing/schedule

Existing lease information

Please use the space below to fill in basic information about your business.

[illegible]

