



CHOOSE
Scottsdale

CITY OF SCOTTSDALE ECONOMIC DEVELOPMENT



SMALL BUSINESS

ASSISTANCE GUIDE

Please use this guide as a resource for starting your business in the City of Scottsdale.





City of Scottsdale Economic Development
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Scottsdale, AZ 85251
480-312-7989
Business@ScottsdaleAZ.gov
ChooseScottsdale.com



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ECONOMIC DEVELOPMENT

Introduction

The City of Scottsdale is excited that you have chosen to start your business. Companies who choose Scottsdale enjoy a strong business climate, a talented and educated workforce, an exceptional quality of life and locational advantages. We have assembled this resource guide in partnership with a number of local organizations to help you through the startup process.

The City of Scottsdale's Economic Development team is committed to providing exceptional customer service. A list of suggested steps you should take as you start your own business is provided here. Many of these may be conducted simultaneously.

DEVELOPING YOUR BUSINESS PLAN

BUSINESS FINANCING

DETERMINING YOUR BUSINESS STRUCTURE

LOCATION

BUSINESS LICENSES, PERMITS AND TAXES

ASSISTANCE OFFERINGS

MARKETING YOUR BUSINESS

STATE PROGRAMS





1 STEP ONE: DEVELOP YOUR BUSINESS PLAN

A business plan is often used to attract capital investment or apply for loans, but can also provide valuation for taxes and other purposes.

A comprehensive business plan can serve as a useful tool for evaluating and determining the feasibility of a new venture and its revenue potential. The plan will look at all important assets of the business and allow you to shift certain areas if needed before launching your new business. An effective plan serves at least four purposes:

1. Helps focus your ideas
2. Creates a path to follow in the early stages of growth
3. Provides benchmarks to measure future progress
4. Documents your business model, useful when applying for financing

The business plan brings together all facets of the business operation, from vision, to goals, strategies and resources. By creating a plan prior to opening a business, a business owner may minimize the risk and significant losses resulting from an unprofitable business. The economic development team would be happy to sit down to discuss specific services offered to assist with your business plan.

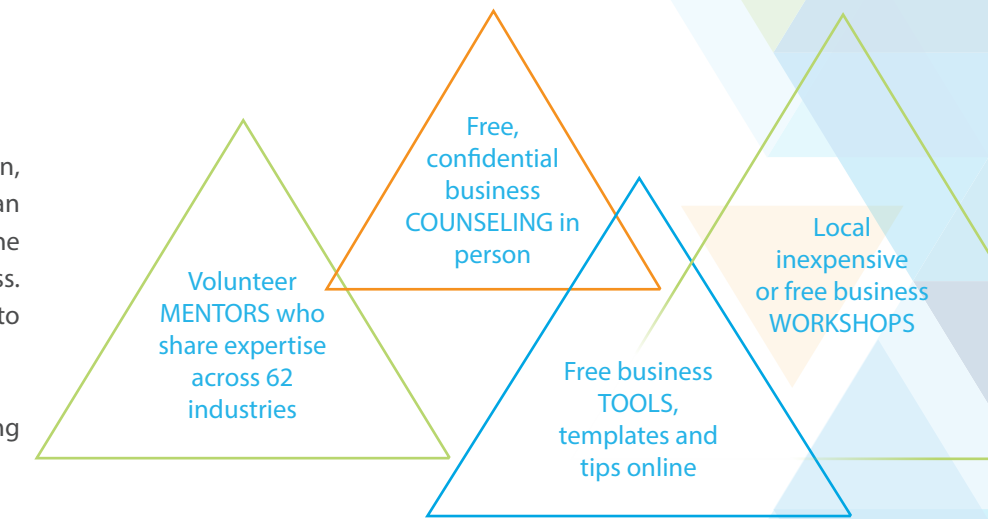
At a minimum your business plan should include the following sections:

| | | | | |
|-------------------|-----------------------|-------------------------|---------------------------|-----------------|
| EXECUTIVE SUMMARY | COMPANY DESCRIPTION | SERVICE OR PRODUCT LINE | ORGANIZATION & MANAGEMENT | MARKET ANALYSIS |
| MARKETING & SALES | FINANCIAL PROJECTIONS | FUNDING REQUEST | APPENDIX (OPTIONAL) | |

Need more information on writing a business plan? Visit the Small Business Administration (SBA) at SBA.gov.

PROFESSIONAL BUSINESS DEVELOPMENT

In addition to the resources provided by the SBA, the Arizona Small Business Development Center (AZSBDC) is Arizona's largest and most accessible source of assistance for small business at every stage of the development. It provides access to professional business counselors, analysts and technology specialists who are dedicated to helping small business succeed. Providing free, one-on-one business counseling, planning assistance, technology development and identifying sources of capital are only some of the services provided. For more information about the AZSBDC, please visit azsbdc.net.



SCORE (greaterphoenix.score.org) is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. SCORE is a resource partner with the SBA. For 47 years more than 13,000 working and retired business professionals have volunteered to support the success of small business nationwide.

EUREKA LOFT SCOTTSDALE

Located on the second floor of the Civic Center Library, Eureka Loft Scottsdale provides free business programming and services to prospective small businesses, entrepreneurs and innovators. SCORE mentoring (score.org) is available at the Eureka Loft by appointment every Tuesday from 10 a.m. to 2 p.m.

To schedule an appointment, please call 602-745-7250 or email eurekaloft@scottsdaleaz.gov.

Visit ScottsdaleLibrary.org to see upcoming events taking place at the Eureka Loft Scottsdale!





BUSINESS FINANCING

2 STEP TWO: DEVELOP YOUR BUSINESS PLAN

Most prospective business owners and entrepreneurs quickly discover that funding can be a major hurdle. It is important to make introductions and connections to those with insightful financial knowledge. With time, realistic expectations and preparation, you can achieve your financial needs.

GETTING THE FUNDING YOU NEED

Where should you look to find financing for your business? The answer depends on the following:

- The amount of funding your business requires
- The additional financial resources you are willing to invest
- Your business ownership background and track record
- The type of ownership you are looking to have in the company

You may look for the common sources, such as personal savings, loans from friends and family, or obtaining consumer loans from banks or mortgage companies to fund your startup.

SBA Loans

The U.S. Small Business Administration has programs that are varied and the qualifications for each are specific. Types of loans include:

- General Small Business Loan: 7(a) Loan Program is the SBA's most common loan program and includes financial help for business with special requirements.
- Microloan Program: The microloan program provides loans up to \$50,000 to help small business and certain non-profit childcare centers start up and expand. The average microloan is about \$13,000.

Information on these and other loan programs can be found by visiting the SBA website at SBA.gov.



UNLIKE BUSINESS LOANS, GRANTS HAVE THE ADVANTAGE OF NOT HAVING TO BE REPAYED. HOWEVER, GRANT FUNDING IS GENERALLY RESTRICTED TO VERY SPECIFIC REQUESTS.

Grant Programs

Several grant programs are available to small businesses. You will find information on the grant submission process and can sign up for automatic updates through the SBA website. Unlike business loans, grants have the advantage of not having to be repaid. However, grant funding is generally restricted to very specific requests. Additional resources are available at grants.gov.

Commercial Banks

Commercial banks offer a wide variety of financing options. A loan officer will discuss loans that meet your criteria and next steps. For referrals to a number of local commercial banks, contact the Scottsdale Area Chamber of Commerce at 480-355-2700 or visit scottsdalechamber.com.

Venture Capital & Non Traditional Financing

Venture capital is a type of equity financing that addresses the funding needs of entrepreneurial companies that for reasons of size, assets and stage of development cannot seek capital from more traditional sources. Non-traditional financing may include crowdfunding and peer-to-peer lending. Please contact economic development to discuss further at 480-312-7989.



3 STEP THREE: DETERMINING YOUR BUSINESS STRUCTURE

Deciding on a basic legal structure is an important step for any business. Financial and legal implications may vary depending on legal structure of your business. Once you determine your legal structure, you will need to properly record the business name with the state and/or county.

In Arizona, there are several legal options for setting up your business structure. New business owners should always seek the guidance of a professional tax consultant, accountant, and/or attorney to verify all legal requirements are met before choosing a business structure. Additional details about each can be viewed at the U.S. Small Business Administration website, SBA.gov.

Below is a brief description of each:

Sole Proprietorship

The most common and the simplest form of business is the sole proprietorship. In a sole proprietorship, a single individual engages in a business activity without necessity of formal organization. If the business is conducted under an assumed name (a name other than the surname of the individual), then an assumed name certificate (commonly referred to as a DBA) should be filed with the office of the county clerk in the county where a business premise is maintained.

General Partnership

A general partnership is created when two or more persons associate to carry on a business for profit. A partnership generally operates in accordance with a partnership agreement, but there is no requirement that the agreement be in writing and there is no state-filing requirement in Arizona.

Corporation

An Arizona corporation is created by filing Articles of Incorporation with the Arizona Corporation Commission. A corporation is a legal organization with the characteristics of limited liability, centralization of management, perpetual duration, and ease of transferability of ownership interests. The owners of a corporation are called "shareholders." The persons who manage the business and affairs of a corporation are called "directors."

Limited Liability Company

An Arizona Limited Liability Company is created by filing Articles of Organization with the Arizona Corporation Commission. The limited liability company (LLC) is not a partnership or a corporation but rather a hybrid of the two that has the benefits and advantages of both a corporation and a partnership but few of the disadvantages of either.



THE MOST COMMON AND THE SIMPLEST FORM OF BUSINESS IS THE SOLE PROPRIETORSHIP. IN A SOLE PROPRIETORSHIP, A SINGLE INDIVIDUAL ENGAGES IN A BUSINESS ACTIVITY WITHOUT NECESSITY OF FORMAL ORGANIZATION.

Limited Partnership

An Arizona limited partnership is a partnership formed by two or more persons and having one or more general partners and one or more limited partners. The limited partnership operates in accordance with a partnership agreement, written or oral, of the partners as to the affairs of the limited partnership and the conduct of its business. The limited partners are viewed as distinct from the partnership and are usually liable only to the extent of their capital contributions.

For more information on how to file, please visit azcc.gov. To find forms and information needed to reserve an entity name, or to create, maintain or dissolve a corporation or LLC in Arizona, please visit ecorp.azcc.gov.



4 STEP FOUR: LOCATION...LOCATION... LOCATION

SCOTTSDALE BUSINESS LOCATION ASSISTANCE

The City of Scottsdale Economic Development Department understands the importance that location has on the success of your business. We offer several tools to assist small business in their location and business decisions. Site Selection and SizeUp are some tools you may access at ChooseScottsdale.com. Each tool has specific benefits described below:

Property Listing Search Tool

The City of Scottsdale offers a site selection tool that allows you to perform customized searches for retail, industrial, land, office, warehouse and other commercial property listings to determine what Scottsdale location best fit your needs. This tool can be found at www.ChooseScottsdale.com/site-selection

SizeUp Business Intelligence Tool

The Scottsdale Economic Development Department is pleased to offer you complimentary use of SizeUp, one of the most effective business tools currently available in the country. SizeUp is an online tool which helps small to medium sized businesses identify how to increase cash flow, identify competitors, and find the best place to advertise. This interactive tool will allow you to customize the data specific to your industry and location.



Scottsdale Zoning

The City of Scottsdale provides an easy way to look up zoning through the city's Digital Map Center. The following e-service sections are available at the City of Scottsdale Planning and Zoning section of the city's website: scottsdaleaz.gov.

- Interactive maps
- Pre-formatted maps

Project Timeframes and Review Times

Scottsdale reviews plans are based upon four disciplines:

- Building
- Engineering
- Fire
- Planning

Case documents identify specific items required for final plan submittal, including additional documents, such as design reports and dedication documents.

| PLAN TYPE | ADMINISTRATIVE REVIEW | SUBSTANTIVE REVIEW |
|--------------------------|-----------------------|--------------------|
| POOLS/FENCES/WALLS/SIGNS | 5 DAYS | 20 |
| TENANT IMPROVEMENTS | 10 DAYS | 40 |
| ALL OTHER PLAN TYPES | 10 DAYS | 60 |

The plan review time frame is a maximum time frame. The city's standard turnaround goals remain the same.

SizeUp provides three core features that enable business owners to make more intelligent decisions:

Benchmark your business: See how your business sizes up by comparing



your performance to all other competitors in your industry. Isolate areas where you can improve and find ways you can save money.

Map your competition: Map where your competitors, customers and



suppliers are located. Determine how you can best serve existing customers, find new customers and pick suppliers. Use the map to isolate areas with many potential customers but little competition.

Find the best place to advertise: Identify the best areas to target your next



advertising campaign. Choose from pre-set reports to find areas with the highest industry revenue, most underserved markets, and where business revenue average is highest or create your own custom demographic and/or business report.

The economic development team is happy to guide you through the custom Scottsdale SizeUp tool which is available at ChoosesScottsdale.com/SizeUp and remember, to be successful in any city, companies need the most comprehensive and accurate data available to plan their business.

Scottsdale Development Process

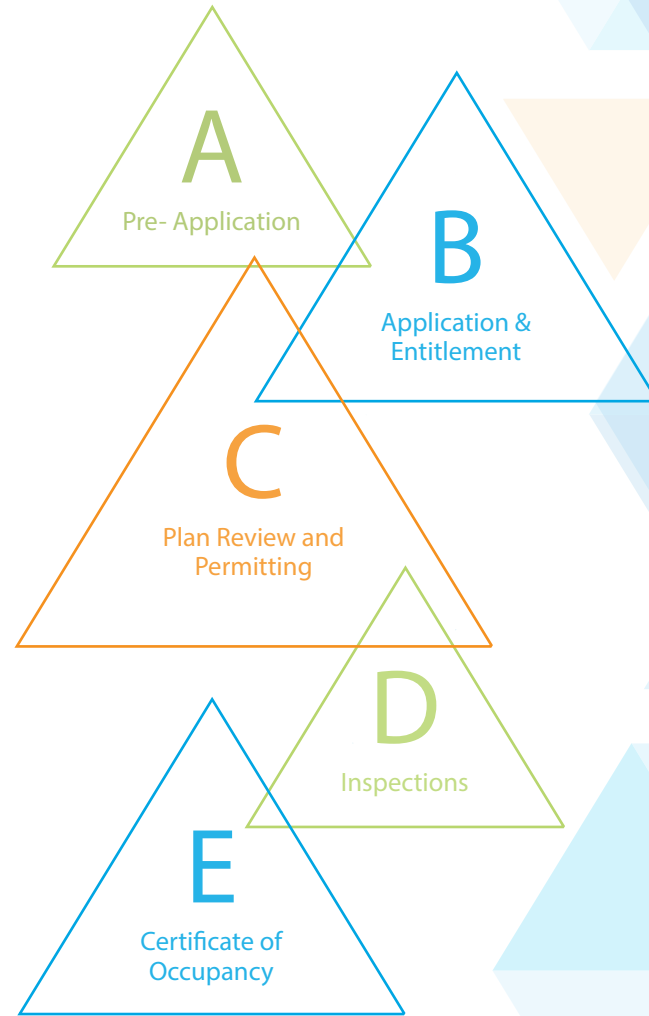
The Scottsdale development process consists of five phases (see flow chart). Depending on your project, you may be able to start with plan review and permitting.

Questions? Contact the Current Planning Department at 480-312-7800 or email planninginfo@scottsdaleaz.gov.

Training Series: Development in Scottsdale

Ever wonder what zoning is, why it's there, and what it all has to do with you? To help, the City of Scottsdale created a series of presentations on planning and development in Scottsdale. Each presentation focuses on a different planning related topic and explains what they are, why they exist, and how they are used in Scottsdale (Scottsdaleaz.gov, search for 'development training').

Questions or comments? Contact the Planning and Development Department at 480-312-7800 or planninginfo@scottsdaleaz.gov.





5 STEP FIVE: FEDERAL, STATE AND SCOTTSDALE

Business Licenses, Permits and Employment Tax Responsibilities

FEDERAL REQUIREMENTS

Once your corporate structure has been established it is important for you to attain the following licenses and permits from the federal government:

Employer Identification Number

It is important to establish an EIN – a number assigned by the IRS used to identify the tax accounts of employers and certain others who have no employees. Start by calling the Internal Revenue Service at 800-829-4933 for a package on the type of business organization you are starting. You will receive an SS-4 form that you should file to obtain your EIN, which also is known as a Federal Tax Identification Number.

Acquire Required Permits and Licenses

The federal permits and licenses you will need are based on the type of business and the products/services offered to your consumers. This can include registration with the following:

- Food and Drug Administration
- Bureau of Alcohol, Tobacco and Firearms
- Environmental Protection Agency
- Federal Motor Carrier Safety Administration
- Other agencies

Acknowledge Tax Responsibilities

The nature of your business will determine which federal taxes are applicable. The most customary taxes are Self-Employed Tax, Federal Income Tax and Federal Excise Tax.

Regulations

Several workplace and environmental regulations could greatly affect your business. The major regulatory organizations include:

- Occupational Safety and Health Administration (OSHA)
- Americans with Disabilities Act (ADA)
- U.S. Equal Employment Opportunity Commission (EEOC)
- Consumer Protection Agency

Please note that this is only a partial list of regulatory organizations. Always consult your attorney on regulatory matters.

STATE REQUIREMENTS

Register Your Business Name

Naming your business is crucial to the success and brand of your company. Your business name will frame its identity and should convey the expertise, value and uniqueness of the product being sold or produced.

Once you have determined a name for your business, it is time to check the availability. Check the entity name on the Arizona Corporation Commission's website under Check Name Availability (azcc.gov/divisions/corporations).

Securing Your Business Name

If the name is available, you have the following options:

- I. Get a reservation through the ACC website (AZCC.gov).
 - a. This is good for 120 days, as it holds the entity name until you can submit the paperwork to form the entity.
 - b. It costs \$45 to electronically file your name and has the advantage of immediately reserving your name.
 - c. If you do not need to expedite your name, for the cost of \$10 you can mail or file it in person.
- II. Go to the Secretary of State's website (azsos.gov/business_services/tnt) and register the name as a trade name, which is effective for five years.

Articles of Incorporation/Organization

You will need to file with the Arizona Corporation Commission. If you are forming an LLC, you will submit Articles of Organization. If you are forming a corporation, you will submit Articles of Incorporation. Forms are available on the ACC website at AZCC.gov. If approved, you will receive a letter with next steps. If rejected, appropriate re-submittal paperwork will be provided.

Transaction Privilege Tax License

If you sell tangible products, you must be licensed with the Arizona Department of Revenue (azdor.gov) and are responsible for the transaction privilege tax under the retail classification. The AZDOR Joint Tax application is used to apply for Transaction Privilege Tax, Use Tax, and Employer Withholding and Unemployment Insurance.

CITY OF SCOTTSDALE REQUIREMENTS

Business Licenses and Permits

In order to operate legally within the City of Scottsdale, a business license is required. A city issued license allows business to be conducted only within city limits. The City of Scottsdale has a Business Licensing guide to help you through the process, available at ScottsdaleAZ.gov (search for 'business license').

Business and Professional Licenses

Below is a listing of some of the licenses that may be required in order to operate or do business in the City of Scottsdale:

Business/Occupation/Professional (BOP): Service oriented business located in Scottsdale.

Liquor Permit: For any establishment selling spirituous beverages. Must submit a state application with city application. For information regarding the state application go to the Arizona Department of Liquor site at azliquor.gov.

If you are applying for Series 03 - Microbrewery, Series 06 - Bar, Series 07 - Beer & Wine Bar, Series 12 - Restaurant, Series 13 - Domestic Farm Winery, or Series 14 - Club (Private) State Liquor Permit your may also have to acquire a City of Scottsdale conditional use permit.

For more information, please contact the One-Stop-Shop at 480-312-2500.

Home Occupation Exemption: A service business that is located in a residential dwelling unit.

Temporary Sales Tax License: The licensing of the collection of tax from the final consumer for business operating for 30 days or less.

Transaction Privilege (Sales) Tax: The licensing for the collection of tax from the final consumer. Gross receipts generated from the following types of businesses are subject to the City of Scottsdale privilege tax.

Transaction Privilege (Sales) Tax - Commercial: The licensing of the collection of tax from the final consumer. Renting Commercial dwelling is considered a taxable activity.

Transaction Privilege (Sales) Tax - Residential: The licensing of collection of tax from the final consumer. Renting residential dwelling is considered a taxable activity.

Transaction Privilege Use Tax: Use Tax is a tax on items stored or used in the City which have been purchased or rented without privilege or sales tax equal to the Scottsdale use tax rate.

Prior to issuing a business license, permits and inspections from Development Services must be approved. If you have any questions regarding the type of license, please contact economic development to guide assist you through the process.





6 STEP SIX: SEEK ASSISTANCE FROM THE CITY OF SCOTTSDALE

Some of the current services available to your business include can be found on ChooseScottsdale.com:

Employer Visitation Program

The economic development team conducts visitations and interviews with local businesses to gather industry specific information, inform them about city services, and address their business needs. These interview results aid us in developing new tactical and direct assistance programs for businesses that are expanding, in need of financial or management technical assistance, seeking help with workforce recruitment or workforce development, and other needs.

Site/Property Location Assistance

Utilizing real estate database searches, combined with city insight regarding zoning, infrastructure and general plan land use designation, we can assist you in finding the perfect location for your business within the time frame required.

Dedicated Project Manager

We offer personal project management assistance to help companies developing in the city, whether it is with permitting and zoning of new or renovated facilities, applications for tax and licensing or in arranging consultation with Scottsdale Police or Fire Departments.

Relocated Employee Orientation Support

Have you relocated employees to your Scottsdale location or have you recruited new ones to Arizona? If so, we are here to help you support their integration into the community through welcome bags, materials and presentations about living in the desert southwest. We look forward to working with you to develop a custom assistance program.

Workforce Assistance

We work with our partners at Maricopa Workforce, Maricopa Corporate College, Arizona Commerce Authority and the Scottsdale Community College to assist companies in their workforce needs.

Small Business Training

Economic development in partnership with the Eureka Loft Scottsdale and the city's Cable 11 team hosted a number of small business presentations to assist companies which can be viewed online (YouTube). Staff works with valued partners to provide additional programming and tools to help existing or startup businesses succeed in Scottsdale.

Data and Research Support

Economic development maintains access to databases and research tools helpful to companies in operations and expansion decisions. This can include labor market data, community demographics, development cost estimating, housing analysis and more!





7 STEP SEVEN: MARKET YOUR BUSINESS

Marketing takes time, money and preparation. A strong marketing plan will ensure you're not only sticking to your schedule, but that you are spending funds wisely and appropriately.

One way to help with marketing your business is to contact economic development to see how the department can best assist. A number of public resources exist through city offices or through numerous community partners.



Digital Media Classes

Need to build a website or edit a video? Attend one of our new classes to learn the tools you need to jump-start your business! Eureka Loft Scottsdale offers classes to help with video production basics, video editing, designing your own marketing materials, and getting press and publicity. Sign up for a class today by visiting scottsdalelibrary.org/eurekaloft.

Many businesses are using outlets such as the following to market their business:



Time spent developing your marketing plan is time well spent because it defines how you will connect with your customers.





8 STEP EIGHT: STATE PROGRAMS

PROGRAMS, SERVICES AND RESOURCES OFFERED THROUGH THE ARIZONA COMMERCE AUTHORITY (ACA)

[Small Business: azcommerce.com/small-business](http://azcommerce.com/small-business)

Small Business Services (SBS) has a dual focus. First is to provide information on business licensing and statewide resources for every stage of development. Second is to serve as an advocate by developing policies and programs addressing the needs of small businesses.

[Entrepreneurs Edge: azcommerce.com/start-up](http://azcommerce.com/start-up)

Arizona's Entrepreneurs Edge is your one stop resource guide to starting, operating and growing a business. This guide provides general information for new business owners and serves as a reference and directory for established businesses of all sizes.

[Arizona Startup: azcommerce.com/start-up](http://azcommerce.com/start-up)

Every step of a startup leads to questions. The Arizona Commerce Authority (ACA) has the answers and tools to help you navigate the many stages of your business. From events to success stories, this is your one-stop for everything startup. There are a number of state and federal grant and loan programs available to Scottsdale businesses. Below are some that may be beneficial to your business startup. Our team can assist you in identifying the programs that your company may qualify for and connect you with the appropriate program administrators.



[Angel Investment](#)

The Angel Investment tax credit provides credits to investors who make capital investments in small businesses certified by the ACA.



[Small Business Innovation Research/Small Business Technology Transfer \(SBIR/STTR\)](#)

SBIR/STTR is a competitive program that encourages small businesses to explore their technological potential, as well as providing incentive to profit from its commercialization.



[Work Opportunity](#)

The Work Opportunity Tax Credit is a federal tax credit provided to private-sector businesses from groups who have consistently faced significant barriers to employment.

All applications are available on the Arizona Commerce Authority online portal azcommerce.com/incentives/apply-now.



9 STEP NINE: EXPLORE ADDITIONAL RESOURCES

Following is a list of City of Scottsdale resources and web links to help answer your questions. Please do not hesitate to contact a member of our team to assist and point you in the right direction.

CITY RESOURCE LIST

Economic Development
480-312-7989

Planning Department
480-312-7800

One-Stop-Shop
480-312-2500

Plan Review
480-312-7080

Inspections
480-312-5750

Building Code Hotline
480-312-2633

Utility Billing
480-312-2461

Tax and License
480-312-2400

City Call Center
480-312-3111

USEFUL WEB LINKS

Scottsdale Economic Development
choosescottsdale.com

City of Scottsdale
scottsdaleaz.gov

Property Search
choosescottsdale.com/site-selection

SizeUp Business Research Tool
choosescottsdale.com/sizeup

Eureka Loft Scottsdale
scottsdalelibrary.org/eureka

Scottsdale Area Chamber of Commerce
scottsdalechamber.com

Arizona Commerce Authority
azcommerce.com

Arizona Corporation Commission
azcc.gov

Arizona Small Business Development Center
azsbd.net

Small Business Administration
sba.gov

Arizona Workforce Connection
myhsd.maricopa.gov

Work Scottsdale
choosescottsdale.com/work

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3939 N. Drinkwater Boulevard, 2nd Floor
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Business@ScottsdaleAZ.gov
ChooseScottsdale.com

