

**SAUSALITO
BUSINESS
START-UP GUIDE**



→ WHY SAUSALITO?

It's a destination. It's a lifestyle. It's a view no one ever forgets, and it's a business opportunity unlike any other.

Have you dreamed of starting a business in Sausalito?

Are you interested in the business potential here and what you need to do to open a business?

Welcome to our world! We look forward to working with you and helping you get started.

The following document is an overview of what Sausalito offers a prospective business and how to work with city hall—the planning and development, permitting and licensing systems.

The Big Picture

Across the Golden Gate Bridge, just minutes from San Francisco, lies the picturesque waterfront community of Sausalito, world renowned for its Mediterranean flair and breathtaking views. In addition to a wide selection of first-class restaurants with foods from around the world, Sausalito offers its signature hospitality at waterfront inns, Main Street hotels and a new 5-star resort. The city is also a world-class venue for every sort of outdoor and nautical activity—whether it's hiking, hiking or boating, Sausalito offers easy bay access and the most scenic backdrops imaginable. Sausalito also offers access to San Francisco, the dramatic North Coast, and wine country. Sausalito truly is the gateway to some of the most beautiful and sought-after destinations in the world.

The Demographic Snapshot

Sausalito is a small, but affluent, tightly knit community with a bohemian and artistic heritage that attracts thousands of visitors and camera crews from around the world every year. Businesses that cater to locals as well as visitors year-round can be hugely successful.



Schools/Educational Access

- Preschool/Kindergarten
Sausalito Nursery School
Sparrow Creek Montessori School
The New Village School
- Elementary/Secondary Schools
Bayside Elementary School (k-6)
Martin Luther King, Jr. Academy (7-8)
Willow Creek Academy (charter, k-6)
The New Village School (private, k-8)
- High School
Tamalpais High School
The Marin School (private high school)
- Higher Education
Sausalito is also in close proximity to the College of Marin in Kentfield, Dominican College in San Rafael, U.C. Berkeley across the bay and two major universities in San Francisco.

Sausalito's public library is open seven days a week.

Public Transportation - Ferry boats and buses transport residents and visitors alike in and out of Sausalito. The SF-Sausalito ferryboat ride has been ranked the #2 ferryboat ride in the world, second only to Hong Kong. Golden Gate Ferry and the Blue & Gold Ferry service on the bay brought over 300,000 people into Sausalito in 2009.

San Francisco International Airport & Oakland International Airport are both less than one hour from Sausalito.

Parking Facilities - Sausalito has 221 street meters and four paid-parking lots with a new, state-of-the-art parking system. Employee parking is available in lot 3.

Bicycle Destination - Over 275,000 tourists bike across the bridge from San Francisco to Sausalito every year; thousands more recreational cyclists pedal through Sausalito daily.

Waterfront Activities - There are 9 marinas in Sausalito, with 1,118 boat slips. The Sausalito Yacht Club and Cruising Club attract recreational boaters,

regattas and races to the area, including the Louis Vuitton and the 2013 America's Cup races. Marine services range from kayak rental to boat repair, fishing charters, wooden-boat tours and boat rentals of every sort. Sausalito is also home to a historic and legendary floating-home community.

World-Class Attractions & Events - The Bay Model and Discovery Museum attract over 450,000 visitors to Sausalito every year, as do events such as the internationally acclaimed Sausalito Art Festival (in its 52nd year), which attracts 30,000 people in 3 days, the Sausalito Film Festival and Amgen Tour of California bike race.

Nine tour-bus companies operate in and out of Sausalito, bringing over 50,000 visitors to town every year.

Estimated Number of Tourists Each Year - In addition to the hundreds of thousands of visitors who arrive by bicycle and boat each year, Sausalito is a destination for many other visitors from around the world. While there is no official documentation of the exact number of tourists in Sausalito, the educated estimate is at least a million a year.

Sales Tax Revenues - Sausalito enjoys a solid economic base. From July 2009-June 2010, the sales tax per capita was \$165 in Sausalito compared to \$112 in the state of California. This is higher than any other Marin County community (Fairfax: \$48; Larkspur: \$132; Novato: \$123, San Anselmo: \$68—values from 2008).

\$850,000 in Tourist Occupancy Taxes (TOT) were generated in 2010, an indication of the robust tourist economy that Sausalito enjoys.

Sausalito is served by the Sausalito Police and Southern Marin Fire departments - They operate from new, state-of-the-art public safety facilities in town.

Sausalito has a wide range of very active nonprofit community organizations - The Rotary & Lions clubs, the Sausalito Woman's Club and the Historical Society, to name a few.

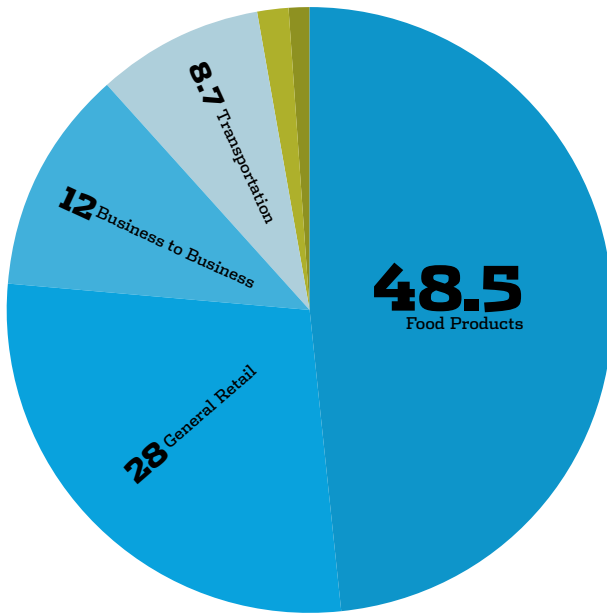


The Business Opportunities & Benefits

Location, location, location. Sausalito's proximity to San Francisco, wine country and other world-class destinations, not to mention its nautical and waterfront venues, provides a wide range of business opportunities for the enterprising entrepreneur. Furthermore, you won't compete with big-box chain stores. Sausalito's zoning restricts chain stores in most retail and waterfront districts.

Quick Snapshot

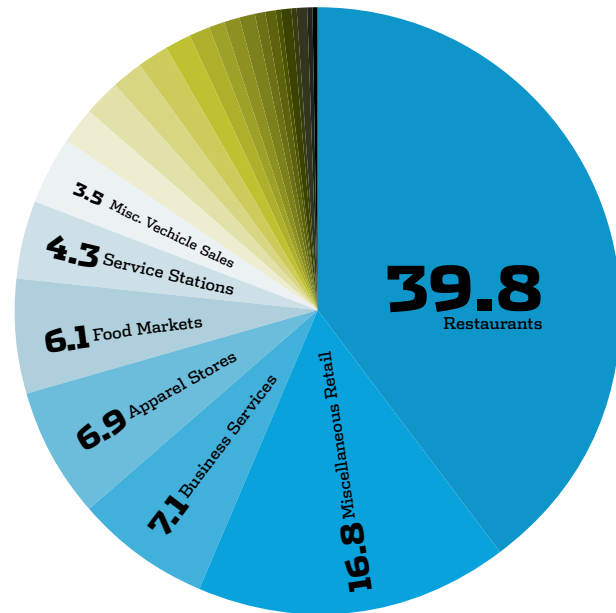
Numbers in graph represent percentages.



EXISTING RETAIL BUSINESSES

breakout of all other percentages

- 1.8 Miscellaneous
- 1.7 Construction



CONSUMER-ORIENTED BUSINESSES

breakout of all other percentages

- | | |
|------------------------------|--------------------------------|
| □ 1.9 Food Processing Equip. | ■ 0.7 Miscellaneous Other |
| ■ 1.9 Recreation Products | ■ 0.5 Florist/Nursery |
| ■ 1.8 Light Industry | ■ 0.4 Building Material-Retail |
| ■ 1.7 Furniture/Appliance | ■ 0.4 Office Equipment |
| ■ 1.2 Heavy Industry | ■ 0.4 Electronic Equipment |
| ■ 1.1 Health & Government | ■ 0.4 Building Material-Whsle. |
| ■ 1.0 Leasing | ■ 0.4 Drugstores |
| ■ 0.8 Auto Parts/Repair | ■ 0.4 Auto Sales-Used |
| ■ 0.7 Liquor Stores | |

How to Make It Happen

The following is a checklist of questions to consider.

→ START HERE

	Develop a business plan for your venture as well as an overview of how you will market the business in Sausalito and elsewhere.
	Who are my target audiences?
	What are my key messages?
	What differentiates my business/service/product from others?
	How do I know if my business is allowed to operate where I want it to be located?
	What type of permits or licenses do I need to start my business? (There are Sausalito zoning laws that dictate locations for different types of businesses.)
	What if I have a home-based business? Do I still need a license?
	I'm going to be serving food products. Do I need special approvals?
	What kind of permits will I need to open a restaurant?
	If I sell alcoholic beverages, will I need special approval?
	I'm going to be remodeling an existing establishment. Are there any special considerations? What sort of building permits are required?
	What is the Sausalito Historical Overlay District, and if my business is going to be located in this district, are there special requirements for interior and exterior remodeling?
	What kind of permit do I need to install my business sign, an awning or outdoor seating?
	Can my establishment offer live music? What are the sound ordinances and/or permits?
	Are there landscaping restrictions, issues?
	What sort of parking is available for patrons?

→ WHAT TO THINK ABOUT NEXT

	What type of business entity should I have (S corp, LLC, etc.)? How should it be structured?
	What exactly is a fictitious name statement and do I need one?
	Where can I go to obtain a seller's permit?
	Where do I go to obtain state and federal tax ID numbers?
	Where do I obtain my State Employer Identification Number?
	Where can I find out about training funds and programs?
	Are there funding/loan options for small businesses?
	How do I join the Chamber of Commerce and what do they offer?
	What other local resources may be of value?

START HERE

Before you go too far with your great new-business idea, draft a business and marketing plan so you have some direction and focus going forward. There are many services and websites that can help you do this, including www.sba.gov and www.myownbusiness.org.

Q. HOW DO I KNOW IF MY BUSINESS IS ALLOWED WHERE I WANT TO LOCATE IT?

- A.** The City of Sausalito has various land uses or zones that are defined in the city's municipal code that allow for various types of business uses. For zoning maps of the main business areas of Sausalito, go to www.ci.sausalito.ca.us/Index.aspx?page=287. Check with the city's Planning Division at (415) 289-4128. To determine if your business use is permitted in a particular zone, go to www.ci.sausalito.ca.us/Index.aspx?page=265.

Q. WILL I NEED A SPECIAL PERMIT?

- A.** Businesses with Sausalito addresses are also required to obtain an Occupational Permit to ensure proper location and zoning.

Before finalizing your business location and signing a lease agreement, contact the City of Sausalito Community Development Department to determine if the zoning designation of your proposed site permits your type of business. The Planning Division staff will help you determine if your business is a permitted use for your specific location and whether any special approvals, like a Conditional Use Permit (CUP), are required. A CUP process allows for a Planning Commission level of review for selected land-use proposals. CUPs are required for uses that may be suitable only in specific locations in a zoning district or that require special consideration in their design, operation or layout to ensure compatibility with surrounding uses. The CUP process can take up to a month or more for approvals, so you may want to start this process early!

Q. DO I NEED A BUSINESS LICENSE AS WELL AS A PERMIT TO START MY BUSINESS? WHAT IF I HAVE A HOME-BASED BUSINESS?

- A.** All businesses operating or doing business within the city limits of Sausalito are required to obtain a Business License and Occupational Permit, including home-based businesses. A Business License application and Occupational Use application can be accessed on the city's website (www.ci.sausalito.ca.us/Index.aspx?page=128), or you can obtain a copy from the Community Development Department at city hall.

Q. I'M GOING TO BE SERVING FOOD PRODUCTS. DO I NEED SPECIAL APPROVALS?

A. Yes. The Marin County Environmental Health Department reviews all plans for compliance with State of California health codes. They are interested in the type of restaurant equipment installed, the categories of food you are handling and standards relating to employee hygiene. The Health Department review will also include a review of the grease collection system (see below).

When remodeling an existing restaurant establishment, please remember that if the cost of the remodel is \$100,000 or more, you will be required to install a grease-collection system, including an outside interceptor tank. This device is generally installed outside of the building. The existing interior plumbing may need to be reconfigured for this grease-interceptor. This issue should be evaluated prior to signing a lease on a food-service establishment. Please contact Marin County Environmental Health at (415) 499-6907 with questions.

Q. WHAT KIND OF PERMITS WILL I NEED FROM THE CITY OF SAUSALITO TO OPEN A RESTAURANT?

A. In addition to a Business License and Occupational Permit, some restaurants could require a Conditional Use Permit, depending upon the zoning of the proposed restaurant location. When opening a restaurant, also consider whether you are going to have outdoor dining or live music and dancing.

Outdoor dining will require the restaurant owner to obtain a Minor Use Permit (MUP), and if your outdoor dining tables will be located on the sidewalk or in the public right-of-way, a Sidewalk Dining Encroachment Permit is also required. These permits are presented for approval at a public hearing held by the city's zoning administrator.

Music and/or dancing are only permitted as an accessory use to an approved eating and drinking establishment, with the issuance of an MUP to be heard by the zoning administrator. Music and dancing are only allowed between the hours of 9:00 a.m. and midnight.



Photograph by Steve Peixotto.



Q. WHAT KIND OF PERMIT DO I NEED TO INSTALL MY BUSINESS SIGN?

A. Permits are required for the installation of all signage within the City of Sausalito. Please contact the Planning Division for information about the Sign Permit application process and fees, or review the information in Section 10.42 of the city's Zoning Ordinance, which can be accessed at www.ci.sausalito.ca.us/Index.aspx?page=287.

Q. IF I SELL ALCOHOLIC BEVERAGES, WILL I NEED SPECIAL APPROVAL?

A. Establishments serving any alcoholic beverage for consumption on the premises in the Central Commercial (CC), Neighborhood Commercial (CN), Commercial Waterfront (CW) and Industrial Marinship (IM) Zoning Districts are required to obtain a Conditional Use Permit. Establishments located in the Mixed Commercial and Residential (CR) and Waterfront (W) Zoning Districts are required to obtain Minor Use Permits. Please check your zoning designation to determine exactly what kind of permits you will need. Many times these permits can take a month or more to get final approvals (for clarification on zoning, go to www.ci.sausalito.ca.us/Index.aspx?page=265).

In addition to city requirements, the State of California Alcoholic Beverages Control Agency (ABC) governs the sale and serving of alcoholic beverages in conjunction with any business. You should contact them regarding all pertinent rules, regulations and required permits at (707) 576-2165.

Q. I'M GOING TO BE REMODELING AN EXISTING ESTABLISHMENT. WILL I NEED A BUILDING PERMIT?

A. Yes. Anyone who intends to construct, enlarge, alter, repair, move, demolish or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system—the installation of which is regulated by the California Building Code—or to cause any such work to be done is required to obtain a Building Permit. Please contact the City of Sausalito Building Division with any questions at (415) 289-4128. Oftentimes, the submittal for a Building Permit will also trigger a Zoning Permit from the Planning Division. This is a simple permit that is often signed upon submittal; please contact the Planning Division at (415) 289-4128 to see if a Zoning Permit is required for your remodel!

Q. CAN I REMODEL A STRUCTURE LOCATED IN THE CENTRAL COMMERCIAL/HISTORIC OVERLAY DISTRICT?

A. For structures located in the Historic Overlay District, Design Review is required for any proposal to demolish, make an addition to, or otherwise modify an existing structure. Be sure to check with the Planning Division for other questions regarding structures in the Historic Overlay District (see the Zoning Map attached for the location of the CC/Historic Overlay District).





Photograph by Steve Peixotto.

➔ WHAT TO THINK ABOUT NEXT

Q. WHAT TYPE OF BUSINESS ENTITY SHOULD I HAVE? HOW SHOULD MY BUSINESS BE STRUCTURED?

- A.** You may choose to conduct a business as a sole proprietorship, corporation, partnership or a limited liability company. You should consult with a legal representative and accountant before making any determination as to the type of business entity to form. For more information on each type of business entity, visit the California Business Portal section of the Secretary of State's website at www.sos.ca.gov/business/.

Unless you conduct your business as a sole proprietorship, you must file papers with the Secretary of State's Business Programs Division which can be reached at (916) 657-5448.

If you want to establish your business as a corporation, you must contact the Corporations Division of the California Secretary of State's office. This office can supply you with all the information and forms needed. In addition, the Name Availability Unity can assist you in determining corporate name availability. Go to www.ss.ca.gov for additional information. The Corporate Legal Unity will review and, if acceptable, file your articles, mergers and other legally required documents. You may need to obtain Federal Tax Identification Numbers. Information regarding these numbers is noted above. For additional information go to www.irs.gov.

Q. WHAT EXACTLY IS A FICTITIOUS NAME STATEMENT AND DO I NEED ONE?

- A.** If you use a business name other than your own legal name or initials, you must file a fictitious name statement with the County Clerk. For additional information, please call (415) 499-6152.

Q. WHERE CAN I GO TO OBTAIN A SELLER'S PERMIT?

- A.** The State Board of Equalization (BOE) issues seller's permits and is responsible for the administration and collection of the state's sales and use, fuel, alcohol, tobacco and other special taxes and fees. Forms and additional information are available from the State Board of Equalization at www.taxes.ca.gov/doingbus3.shtml.

Q. WHERE DO I GO TO OBTAIN STATE AND FEDERAL TAX ID NUMBERS?

A. The Franchise Tax Board (FTB) issues state tax identification numbers and administers personal and corporate income and franchise taxes for the State of California. Information regarding this number (which is utilized to track state withholding taxes) can be obtained from the California Small Business Assistance Center at www.taxes.ca.gov/Small_Business_Assistance_Center/index.shtml.

The Internal Revenue Service (IRS) issues federal Employer Identification Numbers and administers federal payroll taxes, including Social Security, Medicare, federal unemployment insurance and federal income tax withholding. Visit their website at www.irs.gov/businesses/index.html for additional information.

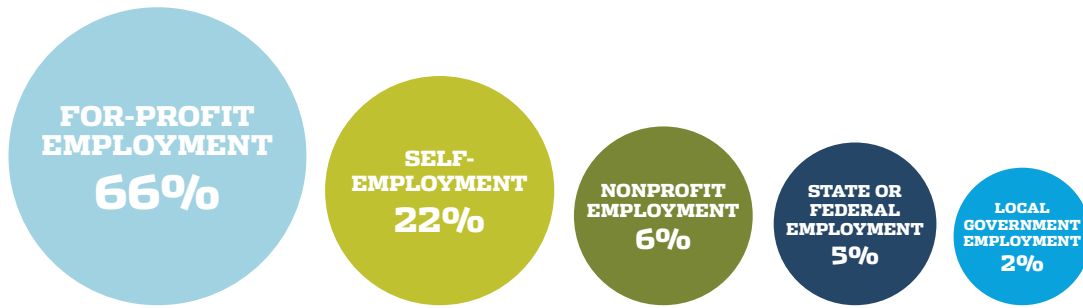
Q. WHERE DO I OBTAIN MY STATE EMPLOYER IDENTIFICATION NUMBER?

A. The Employment Development Department (EDD) issues State Employer Identification Numbers (SEIN) and administers California's payroll taxes, including unemployment insurance, employment training tax, state disability insurance and California personal income tax withholding. Visit the California Small Business Assistance Center at www.taxes.ca.gov/Small_Business_Assistance_Center/index.shtml.

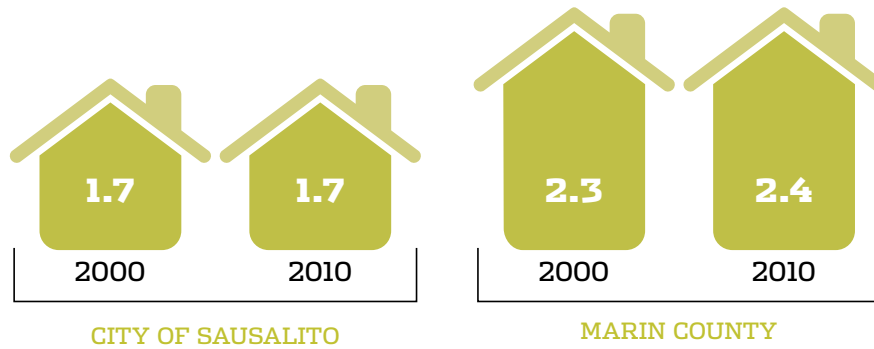
Q. WHERE CAN I FIND OUT ABOUT TRAINING FUNDS AND PROGRAMS?

A. The Marin Employment Connection is Marin County's one-stop center for employers and job seekers, and operates training programs and allocates federal and state training funds. The office is located at 120 N. Redwood Drive, 3rd Floor East Wing, San Rafael, CA 94903. The phone number is (415) 473-3300. Additional information is available through the California Small Business Assistance Center at www.taxes.ca.gov/Small_Business_Assistance_Center/index.shtml.

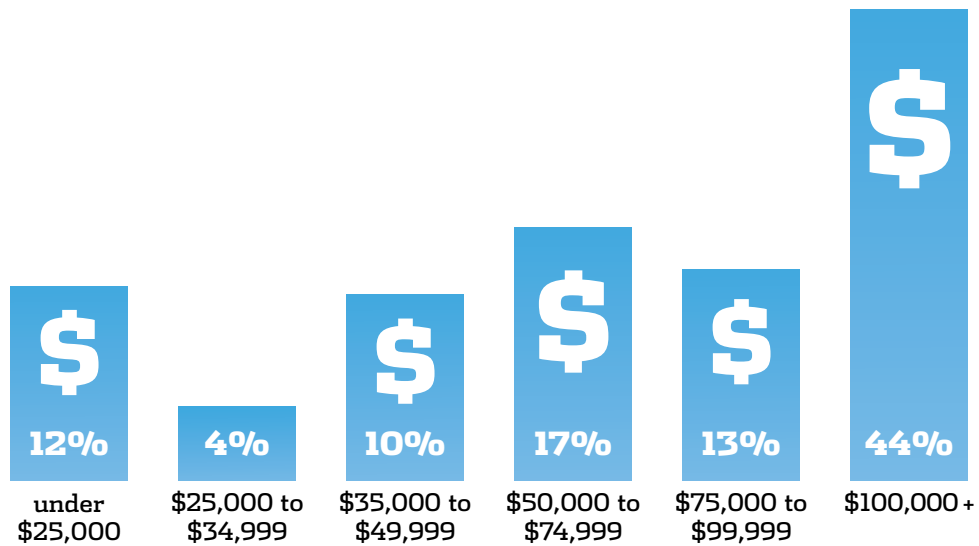
SAUSALITO RESIDENT EMPLOYMENT (2008)



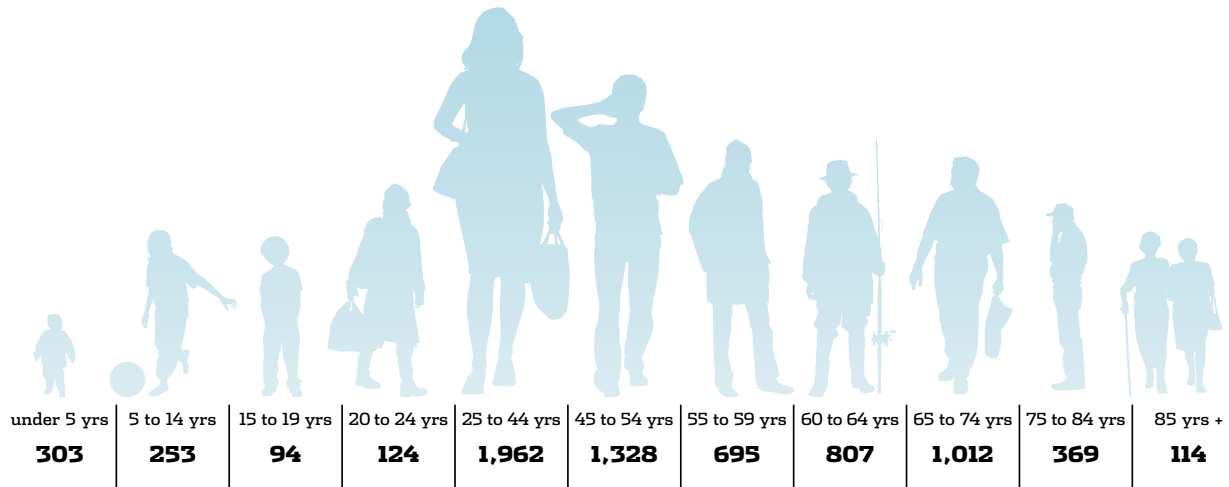
AVERAGE HOUSEHOLD SIZE COMPARED TO THE COUNTY OF MARIN



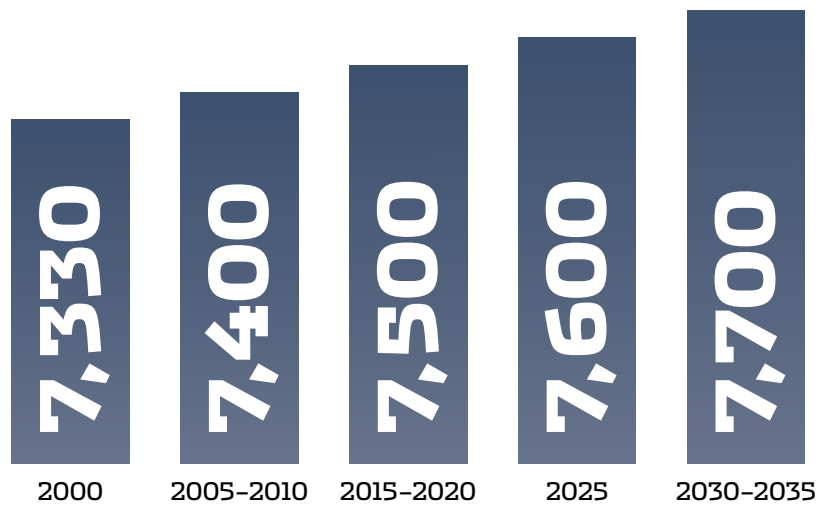
SAUSALITO HOUSEHOLD INCOME (1999)



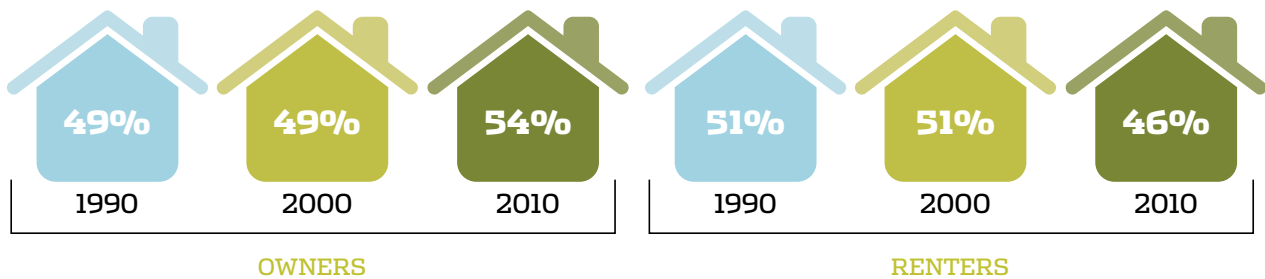
AGE OF RESIDENTS LIVING IN SAUSALITO (2010)



ESTIMATED POPULATION GROWTH IN SAUSALITO (2000 TO 2035)



SAUSALITO RESIDENCE OWNERSHIP VS. RENTERS



Numbers and Contact Info You'll Want to Know

City of Sausalito Community Development Department, Planning Division and Building Division

(415) 289-4128

420 Litho Street, Sausalito

www.ci.sausalito.ca.us/index.aspx?page=36

City of Sausalito Public Works Department

(415) 289-4113

420 Litho Street, Sausalito

www.ci.sausalito.ca.us/Index.aspx?page=155

Sausalito Planning Commission

www.ci.sausalito.ca.us/Index.aspx?page=254

Sausalito City Council

www.ci.sausalito.ca.us/Index.aspx?page=34

City of Sausalito Business License

(415) 289-4148

420 Litho Street, Sausalito

www.ci.sausalito.ca.us

Sausalito Chamber of Commerce

(415) 331-7262

www.sausalito.org

Sausalito - Marin City Sanitary District

(415) 332-0244

Small Business Association

(415) 744-6820

www.sba.gov

California Secretary of State

(916) 653-6814

1500 11th Street, Sacramento, CA 95814

www.ss.ca.gov

Internal Revenue Service

(415) 522-4061

www.irs.gov

California Employment Development Department

Disability Insurance: (415) 480-3287

Payroll Tax Assistance: (888) 480-3287

Unemployment Insurance: (800) 300-5616

California Franchise Tax Board

(800) 852-5711

Marin County Clerk

(415) 499-6152

Room 247, Hall of Justice

Marin County Civic Center

www.ca.marin.ca.us

CalGOLD Business Permits Made Simple

www.calgold.ca.gov

Board of Equalization

(415) 356-6600

www.boe.ca.gov

**County of Marin Environmental
Health Services Division**

(415) 499-6907

www.co.marin.ca.us

California Department of Consumer Affairs

(800) 952-5210

www.dca.ca.gov

U.S. Customs and Border Protection

(202) 354-1000

www.cbp.gov

Bay Cities Refuse Service (Sausalito Garbage)

(415) 332-3646

Pacific Gas and Electric (PG&E)

(800) PGE-5000

Marin Municipal Water District

(415) 945-1400



SAUSALITO
CHAMBER of
COMMERCE

DESIGNED BY

**BUTLER
SHINE
STERN
& PARTNERS**

AUGUST 2011