

Town of Chester's Business Guide



INTRODUCTION

The intent of this guide is to help you through the processes of starting, expanding or relocating your business to the Town of Chester. You will find general information in a wide variety of topics. Specific information will be outlined for you about town requirements. Information that is specific about the town is noted with this image, contact names will also be noted for the staff member that can help you at the town hall.

All information published herein is gathered from sources which are thought to be reliable, but the reader should not assume that the information is official or final. The Town does not assume responsibility for errors, and all information is subject to change without notice. Certain programs, projects and links listed here are not operated by nor are they the responsibility of the Town. Links from these pages to external Web sites are provided as a service to visitors and do not constitute an endorsement by the Town of Chester. Additional input may be required from accountants, attorneys, bankers, family and friends to help you make informative decisions.

Finally, you will also find this notation at the end of many of the sections. Utilize the links provided to go to the section that assists you in your business adventure.

Table of Contents:

- Research & Information Gathering.....4
 - Top Reasons to Start a Business in Chester4
- Town Data.....6
- Determine Type of Business7
 - Home Business7
 - Franchise7
 - Turnkey7
 - Store Front7
 - Web Based.....8
 - Non-Profit.....8
- Legal Structure of your Business8
 - Sole Proprietorships.....8
 - Partnerships8
 - Corporations.....8
 - S Corporations9
 - Limited Liability Company (LLC)9
 - Non-Profit.....9
- Ready to Make your Idea a Reality10
 - Location, Location, Location.....10
 - Business Plan10
 - Where Do You Find Help With Business Plans?.....10
 - What Is in a Business Plan?11
 - 1. Executive summary11
 - 2. The Company.....11
 - 3. Products and services12
 - 4. Marketing strategies.....13
 - 5. Operational information.....13
 - 6. Financial information14
 - 7. Funding requirements14
 - 8. Appendix15
- Who Will Lend You Money?15
- Financials and Lending16
- Checklist of Town Regulations:17
 - Zoning and Permits17
 - 1. Size and growth19
 - 2. Industrial locations19
 - 3. Business and retail locations.....20
 - 4. Signing a lease.....20
 - 5. Building renovations.....21
 - 6. Exterior signs21
- Ready to Make it Official?22
- IRS and State Requirements:22
 - Navigating the Town Hall22
 - Town Clerk:.....22
 - Planning and Zoning Table of Contents
 - Planning and Zoning Regulations22
 - Taxes and Fees22
 - Chambers22

Research & Information Gathering

Top Reasons to Start a Business in Chester

1. Two exits adjacent to Route 9 with turnpike access.
2. Talented and Educated Workforce.
3. Exemplary School System.
4. Two new multi-million dollar downtown streetscapes built
5. "Consultative" approach with Planning and Zoning.
6. Conveniently situated between New York and Boston.
7. Several Light Manufacturing, Office and Retail sites available.
8. Connecticut's major tourism destination. In close proximity to Gillette's Castle, Hadlyme Ferry, Norma Terris theater
9. Cockaponset State Forest

GETTING STARTED

Do you have a brilliant idea? Have you been unemployed and ready to start something new? Are you fed up at your current job? These are just a few of the reasons why people decide to go into business for themselves. The Town of Chester is a place that can meet and exceed expectations of a new or existing entrepreneur!

One of your first steps is to determine that your product and or service will be beneficial for the customers you'll be servicing. See below for the Town's data for you to utilize during your first stages of entering into Chester as a new or expanding entrepreneur.

Chester, Connecticut

CERC Town Profile 2012

Town Hall
P.O. Box 218
Chester, CT 06412
(860) 526-0013

Belongs to
Middlesex County
LMA New Haven
Middlesex County Economic Dev. Region
Connecticut River Estuary Planning Area



Incorporated in 1836

Demographics

<i>Population (2011)</i>				<i>Race/Ethnicity (2011)</i>			<i>Town</i>	<i>County</i>	<i>State</i>	
1990	3,417	143,196	3,287,116	White	3,833	148,422	2,800,328			
2000	3,743	155,071	3,405,565	Black	39	7,758	365,949			
2011	3,982	166,346	3,610,073	Asian Pacific	31	4,324	138,364			
2016	3,977	169,348	3,754,486	Native American	5	254	11,369			
'11-'16 Growth / Yr	0.0%	0.4%	0.8%	Other/Multi-Race	74	5,588	294,063			
				Hispanic (any race)	79	8,415	512,039			
Land Area (sq. miles)	16	369	5,009	<i>Poverty Rate (2010)</i>			4.0%	6.1%	9.2%	
Pop./ Sq. Mile (2011)	248	450	721	<i>Educational Attainment (2011)</i>						
Median Age (2011)	43	42	40	Persons Age 25 or Older	<i>Town</i>	<i>%</i>	<i>State</i>	<i>%</i>		
Households (2011)	1,730	68,294	1,391,975	High School Graduate	712	26%	702,670	29%		
Med HH Inc. (2011)	\$90,161	\$78,403	\$70,705	Some College	580	21%	594,209	24%		
				Bachelors or More	1,239	45%	883,658	36%		
<i>Age Distribution (2011)</i>										
	<i>0-4</i>	<i>5-17</i>	<i>18-24</i>	<i>25-49</i>	<i>50-64</i>	<i>65+</i>	<i>Total</i>			
Male	119 3%	367 9%	196 5%	694 17%	494 12%	275 7%	2,145			
Female	113 3%	294 7%	158 4%	553 14%	399 10%	320 8%	1,837			
County Total	9,180 6%	26,144 16%	14,415 9%	55,676 33%	35,698 21%	25,233 15%	166,346			
State Total	217,641 6%	611,932 17%	343,959 10%	1,213,300 34%	711,463 20%	511,778 14%	3,610,073			

Economics

<i>Business Profile (2005)</i>			<i>% of Total</i>		<i>Top Five Grand List (2009)</i>		<i>Amount</i>	<i>% of Net</i>
<i>Sector</i>	<i>Establishments</i>	<i>Employment</i>						
Agriculture	4.5%	2.6%			Chester Woods Inc	\$15,547,520	3.1%	
Const. and Mining	10.7%	5.6%			Connecticut Water Co	\$7,041,200	1.4%	
Manufacturing	7.2%	15.2%			Whelen Engineering Co	\$6,878,100	1.4%	
Trans. and Utilities	4.1%	6.5%			Eastern Company	\$4,071,240	0.8%	
Trade	16.2%	12.0%			Whelen Aviation	\$3,851,810	0.8%	
Finance, Ins. and Real Estate	5.2%	6.7%			Net Grand List (2009) \$500,544,420			
Services	45.5%	51.3%			<i>Top Five Major Employers (2006)</i>			
Government	6.6%	0.0%			Whelen Engineering Inc	First Student Transportation Service		
					Chester Village West	Chesterfield Healthcare Center		
					Greenwald Industries (Division of	<i>Town</i>	<i>State</i>	
					<i>Retail Sales (2007)</i>			
					All Outlets	\$43,329,177	\$136,936,194,241	

Education

<i>2009-2010 School Year</i>				<i>Connecticut Mastery Test Percent Above Goal</i>						
Total Town School Enrollment	585	552,782		<i>Grade 4</i>		<i>Grade 6</i>		<i>Grade 8</i>		
Most public school students through grade 6 attend Chester School District, which has 319 students. Students then go to Regional School District 4, which has 949 Students.				<i>Town</i>	<i>State</i>	<i>Town</i>	<i>State</i>	<i>Town</i>	<i>State</i>	
				Reading	71 61	89 69	n.a.	69		
				Math	79 64	94 69	n.a.	65		
				Writing	77 64	89 62	n.a.	67		
				<i>Average SAT Score</i>						
<i>For more education data please see:</i>	<i>Students per Computer</i>	<i>Town</i>	<i>State</i>	<i>Average Class Size</i>		<i>Town</i>				
http://www.state.ct.us/sde/	Elementary:	1.7	0.0	Grade K	15.7	Grade 2	13.0	Reading	554	503
	Middle:	1.4	2.8	Grade 5	18.3	Grade 7	n.a.	Writing	548	506
	Secondary:	2.0	2.7	High School	n.a.	Math	547	508		

Chester Connecticut



Government

Government Form: Selectman-Town Meeting				Annual Debt Service (2010)	\$472,693
Total Revenue (2010)	\$12,271,177	Total Expenditures (2010)	\$12,121,077	As % of Expenditures	3.9%
Tax Revenue	\$10,538,182	Education	\$8,781,327	Eq. Net Grand List (2008)	\$721,675,969
Non-tax Revenue	\$1,732,995	Other	\$3,339,750	Per Capita	\$192,037
Intergovernmental	\$1,304,347	Total Indebtness (2010)	\$6,885,078	As % of State Average	115%
Per Capita Tax (2010)	\$2,761	As % of Expenditures	56.8%	Date of Last Revaluation (2009)	2003
As % of State Average	111.4%	Per Capita	\$1,804	Moody's Bond Rating (2009)	A2
		As % of State Average	81.0%	Actual Mill Rate (2010)	21.11
				Equalized Mill Rate (2010)	14.57
				% of Grand List Com/Ind (2007)	15.5%

Housing/Real Estate

<i>Housing Stock (2009)</i>	<i>Town</i>	<i>County</i>	<i>State</i>	Owner Occupied Dwellings (2009)	919	44,950	812,964
Existing Units (total)	1,765	72,900	1,452,007	As % Total Dwellings	55%	62%	57%
% Single Unit	81.4%	74.3%	64.8%	Subsidize Housing (2008)	33	5,025	149,355
New Permits Auth. (2009)	75	299	3,786	<i>Distribution of House Sales (2008)</i>	<i>Town</i>	<i>County</i>	<i>State</i>
As % Existing Units	4.25%	0.41%	0.26%	Number of Sales			
Demolitions (2009)	3	61	1,219	Less than \$100,000		36	273
House Sales (2008)	26	914	16,606	\$100,000-\$199,999	1	62	2,797
Median Price	\$295,750	\$320,000	\$290,000	\$200,000-\$299,999	12	291	5,622
Built Pre 1950 share (2000)	43.7%	27.6%	31.5%	\$300,000-\$399,999	9	240	3,083
				\$400,000 or More	4	285	4,831

Labor Force

<i>Place of Residence (2011)</i>	<i>Town</i>	<i>County</i>	<i>State</i>	<i>Commuters (2000)</i>			
Labor Force	2,373	95,004	1,918,145	Commuters into Town from:	Town Residents Commuting to:		
Employed	2,226	87,801	1,749,489	Chester	508	Chester	508
Unemployed	147	9,375	170,828	Deep River	170	Middletown	220
Unemployment Rate	6.2%	9.9%	8.9%	Middletown	142	Essex	161
<i>Place of Work (2011)</i>				Essex	125	Old Saybrook	133
# of Units	164	4,912	103,381	East Haddam	115	Deep River	105
Total Employment	2,026	53,840	1,612,373	Old Saybrook	106	Hartford	77
2000-'11 Growth AAGR	0.2%	-2.0%	-0.3%	Haddam	101	Westbrook	73
Mfg Employment	856	9,346	166,279	Killingworth	88	New Haven	54
				Westbrook	88	Norwich	53
				Clinton	73	East Haddam	47

Other Information

<i>Banks (2007)</i>	<i>Town</i>	<i>State</i>	<i>Residential Utilities</i>				
	3	1,029	Electric Provider				
<i>Crime Rate (2009)</i>			<i>Distance to Major Cities</i>	<i>Miles</i>	Connecticut Light & Power (800) 286-2000		
Per 100,000 Residents	0	298	Hartford	27	Gas Provider		
			Boston	99	na		
<i>Library (2010)</i>	<i>Town</i>		New York City	92	Water Provider		
Total Volumes	18,840		Providence	62	Connecticut Water Company (800) 286-5700		
Circulation Per Capita	9.5				Cable Provider		
					COMCAST/CLINTON (800) 266-2278		

Point of Interest: Feeling intimidated yet? Take this test to see if you are ready to be in business for yourself: <http://web.sba.gov/sbtn/sbat/index.cfm?Tool=4>

Town Data

Since you've decided the Town of Chester is the right place for your business based on the demographics, the next step may be to determine if there is a need for the product or service you are interested in delivering to the town. Find below additional data that will help you decide if your passion is a needed addition to the town:

INDUSTRY TYPE	% OF ESTABLISHED BUSINESSES	# OF ESTABLISHED BUSINESSES
AGRICULTURE	1.5	44
CONSTRUCTION	6.5	188
MANUFACTURING	28.75	828
TRANSPORTATION & UTILITIES	4.69	135
TRADE	1.60	46
FINANCE, INSURANCE, REAL ESTATE	2.64	76
SERVICES (RETAIL, RESTAURANTS, TOURISM)	8.33	240
Public Administration	3.26	94
TOTALS:	100%	

Determine Type of Business

Deciding the type of avenue you will take to deliver your product or service will help you determine what and how you will go forward with the other items covered in this guide (business plan, zoning, permits, legal structure). Below you will find a brief description of business types along with data from the town of those types of businesses.

Home Business

What better way to test out if your business idea is going to work than working from your home? Saving money on travel time, overhead, employees, and setting your own working hours are just a few of the major benefits of working out of your home. Examples: Consultants, catalog sales, daycare or internet-based businesses.

Franchise

Franchising is a way of creating instant awareness of a business. In addition to name recognition, you also get from the franchise: training, procedures, product, advertising, and possible financing. While franchises allow for “built-in” benefits, it does not mean it is a slam dunk. Buying into a franchise is not guarantee for success. You still need to learn the business and run it efficiently. Examples: Dunkin Donuts, McDonald’s, and Subway.

Turnkey

A business that is in operation, in good standing, and ready to move in! Turnkey businesses are already up and running and simply need to be taken over by a new owner. While similar to a franchise, the benefits are the name recognition, established clientele, and opportunity for fully trained employees. It is important to research these businesses just as you would for a new venture or franchise: reviewing tax returns; interviewing current customers; and making sure you understand the purchase. Will you be buying the “name” along with a building, or taking over a lease, or will you simply be buying the concept and having to find your own location?

Store Front

Starting a new business from scratch or expanding an existing one requires a lot of research. Store front businesses can be very successful based on product, location, staffing, and marketing efforts. Whether you are starting off new or looking to expand your current business, it is important to make sure you’ve done your homework. This is one of the riskier methods and can be one of the most satisfying.

Web Based

Whether starting from scratch or expanding an existing business, utilizing the internet can be very successful. Many efforts can be the same from a traditional store front to using the internet, but keep in mind there are additional steps required. In addition, to creating a site, registering your site with search engines, and linking your site to other organizations, to name a few. Creating credibility is also important, which can be difficult when you've never actually had any face time with your customer!

Non-Profit

Creating a non-profit organization can be very rewarding based on your desires to serve the community. Before starting a nonprofit, it is critical to examine the need for another nonprofit. This is particularly true in light of today's economy. There are currently over one million charitable nonprofits in the United States, but many constantly struggle to attract increasingly limited funding, and many organizations have overlapping missions.

Legal Structure of your Business

As part of your plan, you'll need to decide how you want to structure your business. Many people look to attorneys and accountants to help make an educated decision based on personal and tax liability. See below the different options available to you:

Sole Proprietorships

This is the simplest form of business – the owner is the business entity. They are legally one and the same. A sole proprietor:

- is someone who owns an unincorporated business by himself or herself.
- may have employees, but may not have co-owners
- does not have to register with any authority (if you use your own name for the business (“John Smith Painting”), you do not have to register but if you use a fictitious name, like “Quality Home Repair”, you must register that with the town clerk where you live or where your business operates to create a public record of who is running the business.
- Owners are generally not required to carry workers’ compensation insurance on themselves

Partnerships

A partnership is the relationship existing between two or more persons who join to carry on a trade or business. Each person contributes money, property, labor or skill, and expects to share in the profits and losses of the business.

Corporations

In forming a corporation, prospective shareholders exchange money, property, or both, for the corporation's capital stock. A corporation generally takes the same deductions as a sole proprietorship to figure its taxable income. A corporation can also take special deductions. For federal income tax purposes, a C corporation is recognized as a separate taxpaying entity. A corporation conducts business, realizes net income or loss, pays taxes and distributes profits to shareholders.

S Corporations

S corporations are corporations that elect to pass corporate income, losses, deductions and credit through to their shareholders for federal tax purposes. Shareholders of S corporations report the flow-through of income and losses on their personal tax returns and are assessed tax at their individual income tax rates. This allows S corporations to avoid double taxation on the corporate income. S corporations are responsible for tax on certain built-in gains and passive income.

Limited Liability Company (LLC)

A Limited Liability Company (LLC) is a business structure allowed by state statute. LLCs are popular because, similar to a corporation, owners have limited personal liability for the debts and actions of the LLC. Other features of LLCs are more like a partnership, providing management flexibility and the benefit of pass-through taxation.

If you are the sole member of a domestic limited liability company (LLC), you are not a sole proprietor if you elect to treat the LLC as a corporation

Non-Profit

Organizations that meet the requirements of Internal Revenue Code section 501(a) are exempt from federal income taxation. In addition, charitable contributions made to some section 501(a) organizations by individuals and corporations are deductible under Code section 170.

Once you've determined your legal structure, you will need to research the name of the business to determine if it is available. The following site will assist you in making sure you have complied with name, and other requirements:

Resource: [Town of Chester, CT - Business Trade Name info](#)

[Deb Calamari – Town Clerk of Chester CT](#)

With the exception of a sole proprietorship, your company name will be registered with the state. At the following sites, the fees associated with your type of entity is listed:
http://www.sots.ct.gov/sots/lib/sots/commercialrecording/allforms/fee_schedule.pdf

Ready to Make your Idea a Reality

As you talk with your friends and family about your business venture and you've determined the type of business, i.e. home business, then the hard work begins. Whether it is a new idea or adding on to an existing business, there is standard information needed if any financing is required. Below you will find some basic information that is typically required.

Location, Location, Location

They say that is what it's all about! Since we've already established that Chester is the place to do your business, what are some other questions or concerns you may have? Based on your business type, will you be purchasing land with the ownership of the business? Will you be leasing, if so, what are the terms to the lease? Will you be required to take a new lease; can you take over the existing one? Are you locating in a zone that is allowable based on your business type? Find below additional town information as well as helpful items to consider during your search for the perfect location.

Business Plan

A business plan is a necessary tool for all businesses. Just as a home is not built without blueprints or a movie made without a script, you don't start a business without a sound and workable blueprint. You now take the information you have gathered and put those ideas formally onto paper.

No Plan, No Money

Without a business plan, banks or investors will not entertain the thought of financing your business. It is your only foot in the door, so make sure it shines.

You will learn how much you need to borrow, whether you can afford to borrow, your break-even point, and whether the business can afford to pay you a satisfactory wage. People often prepare a plan and start crunching numbers, only to discover that their idea needs reworking or is not financially viable. It is better to discover this on paper rather than after you've started.

Where Do You Find Help With Business Plans?

With the Internet, sample plans can be freely downloaded and used as a reference. Most banks and large accounting companies have publications or CD-ROMs to help you. Check out your local S.C.O.R.E. SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. They have been doing this for nearly fifty years.

Enlist a consultant or accountant's help in compiling the business plan's information into the correct format, and have him or her review it after both the first and final drafts. Putting it all together can be challenging. A bank would prefer to see that you have involved a professional— it helps to validate the contents.

Expect to spend anywhere from two weeks to a few months in completing research and putting the plan together. Some people hire a consultant or accountant to prepare their whole plan, which isn't a good idea, because *you* need to have answers to all the questions to operate your business successfully—and to satisfy a lender or investor.

Resource: Small Business Development Center <http://www.ccsu.edu/sbdc>
To find your local S.C.O.R.E. <http://www.score.org>
Small Business Administration www.sba.gov
Middlesex Chamber of Commerce www.middlesexchamber.com

What Is in a Business Plan?

Follow a plan format that ensures you research all the important areas of your business, and if it is being used for lending or investment purposes, that you have provided all the information that lenders need. Your first task is to decide why you are preparing this plan. Answer these questions:

- Why am I preparing this plan?
- Who else will be reading it?
- Why will they be reading it?
- What do they need to know?

Know Your Goals and Objectives: By knowing why you are preparing this plan, you can save time and effort by focusing on the important areas. Business plans often contain filler information that is not pertinent. Look at sample plans online to get an idea. If you need to borrow funds, ask the lending institution exactly what is required.

The size of the final document will be dependent on the size and complexity of your business and whether you are looking for outside funding. The end result should be professionally presented, with typewritten pages and a table of contents, and securely bound. Include the following sections:

1. Executive summary

The executive summary should be no longer than two pages. Prepare it after the plan is complete, as it summarizes the whole plan in a nutshell. Make it dynamic and exciting to generate the reader's interest. Loans officers or investors have read copious plans and tend to skip through them if they get bored.

2. The Company

Introduce the business in more detail, outlining your type of business, giving its history (if you are purchasing an existing business) or an outline of the new business's products or services. With an existing business, highlight any recent special achievements. This section should be broken down into the following subsections:

General business overview: A description of the business, where it fits into the marketplace, what needs it will fill, and how it will fill those needs. Describe the markets that will use your business and include any business history.

a) **Company structure:** Outline the corporate structure of the business. Include a list of shareholders or partners and incorporation information.

b) **Location:** Describe the location, its benefits, amenities, and accessibility to customer traffic. Include freight routes if it's a manufacturing or wholesale business, traffic statistics if available from the Town Hall, and area demographics and growth rate. Detail parking and zoning information, the cost and terms of the lease, taxes, and utilities. List any foreseeable disadvantages to your location and explain why you chose it. Detail office space, storage, and operational facilities. Additionally, listing any renovations or alterations that may be needed to complete at your desired location.

c) **Key personnel:** Include a brief profile of all key partners or employees, their duties and

experience, and include their résumés in the appendix. Highlight their education, expertise, business qualifications, and history, and supply references if available.

d) **Goals and objectives:** Outline your goals and objectives, both long- and short-term. Many people neglect this area, failing to think past the startup stage. Your goals and objectives should be explained in more detail in other sections of your plan and be considered when preparing financial figures.

f) **Strengths and weaknesses:** Blow your horn and detail the business's strengths. Stress where and why you excel in these areas, whether it is great customer service, pricing, or a strong distribution base. Discuss your weaknesses and how you plan to overcome them.

g) **Mission and vision statements:** A mission statement describes your company philosophy in a few sentences. A vision statement describes how you see your company in the future. Think carefully about each one. Study other mission statements and design one that is uniquely yours. A mission statement shows your commitment to the business and its customers and gives you a written promise to uphold.

3. Products and services

Your business is all about selling services or products, so ensure that what you are offering is marketable and profitable. Use the following headings to detail this information.

a) **Product description:** Describe your products or services, their benefits, and how they fill a need in the marketplace. Show your advantage over the competition and the volume you can output. Describe your business's developmental stage. List potential or current contracts. Refer to any letters of intent from prospective clients and include these in the appendix.

b) **Cost of sales:** The basis of your business is profit margins. Show what products sell for and provide the costs of raw materials, freight, packaging, wages, and so on. Note the expected gross profit margins and whether they will change if you diversify or expand. Clearly explain how the manufacturing or distribution process will operate, remembering that a lender may not be familiar with your type of business.

c) **Future projections:** If you plan future expansion, research, or development, include this information. List any potential threats or opportunities.

d) **Legal concerns:** If your business entails legal considerations such as patents, copyrights, trademarks or special licenses, include relevant information.

4. Marketing strategies

Marketing is a key component to the success of your business, prepare this section in depth. Include the following topics.

a) **Market research:** Break this section down into the following subsections:

- An analysis of today's market and trends□
- Past and future industry, global, and consumer trends□□
- Your target market, its size, and demographics□
- Your ideal consumer profile□
- Your projected share of the market□
- Geographic boundaries and seasonal trends□□
- Customer service policies□

- Strengths and weaknesses
- Market survey results □

b) **The competition:** Both you and the lender must understand the strength of your competitors. Research and address the following topics (frequently called a S.W.O.T. analysis):

- The current competition, their size, and market share □
- Future competition □
- The strengths and weaknesses of the competition □
- How you can overcome their strengths and capitalize on their weaknesses □
- Your strengths and weaknesses □
- Your edge over the competition and your cost to stay competitive □

c) **Marketing and sales strategies:** Part of your business plan will be a marketing plan, which details how you will find potential customers. A sound marketing plan includes a mix of methods, including using various media, promotional methods and one-on-one techniques. Address these topics:

- Promotional and media methods you will use
- Special services or policies □
- The target market these methods will reach □
- The effectiveness of each method □
- The frequency of use □
- How you will sell your products/service (agents, representatives, staff)
- Incentive or sales bonus schemes □
- The reach of your sales force □

5. Operational information

Plan how you will operate your business, from overhead costs to distribution channels. Include the following information:

a) **Overhead costs:** Explain your estimated overhead costs and demonstrate a break-even point. If future plans involve expansion, reflect these costs. A detailed explanation of these costs will be included in your projections, so don't go into great detail here.

b) **Suppliers:** List your major suppliers, their terms of credit, and their product availability. Note whether you have to sign any personal guarantees to obtain credit from them.

c) **Quality control:** Describe your policies on quality control, any relevant hazards or environmental risks, and how you propose to overcome these obstacles. Mention any specific safety procedures relevant to your operation.

d) **Distribution:** Outline how your products will be distributed or delivered and any competitive advantages to your methods.

e) **Employees:** List the staff positions along with their job descriptions, areas of responsibility, and expected salaries.

f) **Assets and equipment:** Note any equipment on hand or to be purchased, its value or cost, and its life expectancy.

g) **Insurance policies:** List the various insurance policies you will take out, including liability, theft and fire, workers' compensation, and key management and employee insurance.

h) **Licenses and permits:** List any licenses or permits that your business requires to operate and their cost.

6. Financial information

The viability of your new venture will culminate when you prepare projections of income, expenses, and cash flow, and when you review how much money you may require. Even if you are not borrowing money, projections and cash flows facilitate making many future decisions. If you are attempting to borrow money, the financial section should include the following:

a) **Projections of income and expenses:** Projections are a month-by-month estimation of sales and expenses, including start-up costs, itemized in the month the revenue was earned and the costs were incurred. Prepare the first year in months, and by quarters or annually for the following two to five years. The bottom line reflects profits or losses.

b) **Cash flow forecasts:** The projections should be accompanied by cash flow forecasts for the corresponding periods. A cash flow forecast differs from projections, as it estimates when revenues will be received and when expenses will be paid, and includes income from loans and other sources. Samples can be found later in this chapter.

c) **Financial statements:** Banks require a projected balance sheet and, if you are purchasing a business, past financial statements for the last two to four years.

d) **Capital expenses:** Include a list of capital spending, such as asset purchases or building renovations. When a lender considers a proposal, these values help determine how a loan will be used and secured.

e) **Net worth statement:** Lenders require personal statements of net worth from owners, partners, or shareholders. Loans are often personally secured, and this statement lists your personal assets, liabilities, and net worth. Net worth statements also indicate the stability of the key management players.

7. Funding requirements

This section is devoted to the sum you need to borrow, how you expect to repay it, and over what time period. Your projections and cash flow forecasts should have indicated how much the business needs and can afford to repay. The total monthly loan payment shows on the cash flow forecast and loan interest only on the projections. You should explain how you intend to secure the loan and with what assets. If you are looking for an investment partner, note the share of the company available in return for their investment and what else you intend to offer them.

Outline the following:

- When you need the money and how much
- The type of loan you are applying for
- The desired terms of repayment
- A breakdown of how you will use the funds
- Future funding requirements, if any

8. Appendix

Include *copies* of any documents that back up and strengthen the information in your businessplan, including:

- Up-to-date financial statements from the business you are purchasing

- Personal statements of net worth
- Letters of reference and letters of intent
- Product pictures or relevant newspaper articles
- Résumés of key employees or partners
- Incorporation or business registration papers
- Cash flow and projection forecasts
- Permits, licenses, trademarks, or patents
- Market surveys
- Equipment and asset appraisals
- Partnership or employee agreements
- Insurance policies and leases
-

Who Will Lend You Money?

If you have a viable business plan, the ability to repay, and security for the loan, you have the right formula. Deciding what type of money to borrow and from whom is the next hurdle. Many businesses do not require large sums to get them started, and often, people can't get a small loan from the bank, so they look elsewhere. Be aware of the pros and cons of nontraditional financing before you make your decision.

Resource: <http://www.sba.gov/category/navigation-structure/startingmanaging-business/starting-business/writing-business-plan/essential-elementsgood-business>

Financials and Lending

Point of Interest □□ Here is a quick reference of items to be prepared for when looking for financing.

FINANCIALS

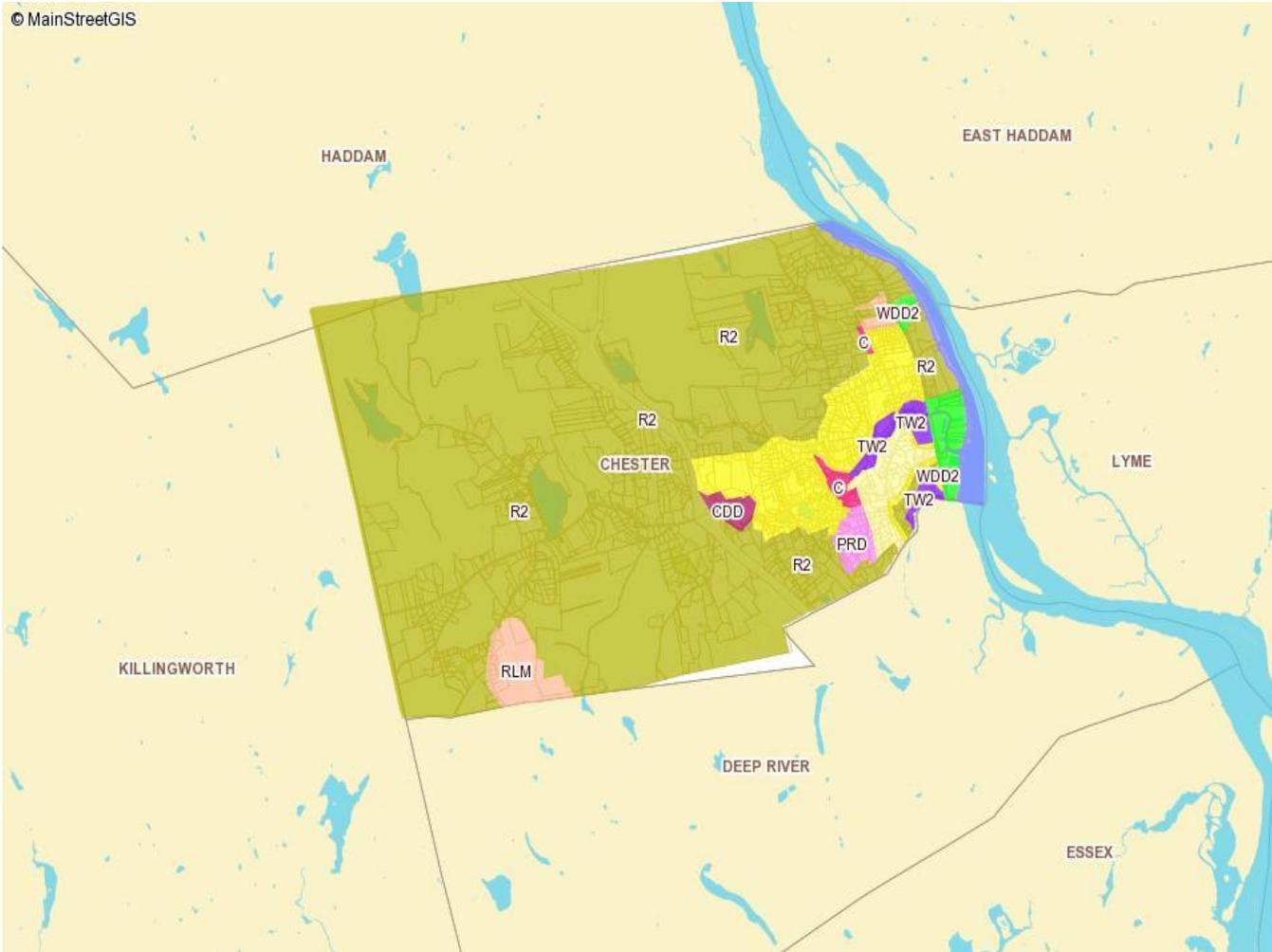
New Business:

1. Capital equipment and supply list
2. Balance sheet
3. Breakeven analysis
4. Profit and loss statements
5. Three-year summary
6. Detail by month, first year
7. Detail by quarters, second and third year
8. Assumptions upon which projections were based
9. Pro-forma cash flow

Existing business:

1. Two years tax returns
2. Balance sheet
3. Income statement
4. Projection of additional income if funds are being used for new initiative

Checklist of Town Regulations: Zoning and Permits



Chester is a unique community which contains historic village, and unspoiled open space. Over the years, the Town has developed land use plans and regulations which strive to protect its character while allowing for appropriate development sensitive to its surroundings.

First Steps

- Determine your property's location, zoning district, and other information from the town's Geographic Information System (GIS) available on the web at

<http://www.mainstreetmaps.com/cgi-binY/gis.exe>

Town staff will also assist you with this information.

COMMERCIAL SYMBOL

Residential District (R-2)

Residential District (R-1)

Residential District (R-1/2)

Planned Residential District (PRD)

Commercial District (C)

Controlled Development District (CDD)

Waterfront Design District (WDD2)

Research and Light Manufacturing District (RLM)

Tidal Wetlands District _ Determine the use and bulk requirements for your property's zoning district.

Click on link to see maps

Appropriate Land Use Applications

Subdivisions of Land

Subdivisions of land are reviewed by the Planning and Zoning Commission. A public hearing may be required for subdivision approval. For all subdivisions of land, the Town requires a 15% set-aside of permanently protected open space or a fee in lieu of open space payable as lots are sold. Average time for a subdivision application with a public hearing before the Planning and Zoning Commission is approximately two months (not counting Inland Wetlands and Watercourses Commission review, if necessary). Property owners also have the option of an “Open Space Development” in which additional flexibility in lot size, frontage, and road standards are possible in exchange for “subdivision” where individual lots are created or “common interest communities where land and common facilities are under a single ownership.

Site Plan Approvals

Zoning Regulations list specific requirements for Site Plans.

Site Plan Approvals by the Planning and Zoning Commission are required for uses in commercial zoning districts which are permitted “as of right.” These can include some new commercial construction and some changes of use in existing buildings from one use to another.

Special Use Permits

Zoning Regulations list specific requirements for Special Use Permits.

Special Use Permits by the Planning and Zoning Commission are required for some uses which require additional oversight by the Commission. Public hearings are required for all Special Use Permit applications for new construction and some changes of use in existing buildings from one use to another.

Zoning Variance Applications

When the requirements of the Zoning Regulations create a hardship due to unique circumstances, a variance may be requested from the Zoning Board of Appeals. Such a hardship may not be self-imposed or based on financial gain. The Zoning Board of Appeals can only grant dimensional or bulk variances, as Town regulations prohibit the issuance of Use-Variations (permitting a use not allowed in the district).

Zoning Map or Regulation Amendments

Any property owner in the Town of Chester has the right to formally apply to amend the Town’s Zoning Map or Zoning Regulations. An A-2 Survey is required for any Zone Change application. When reviewing such an application, the Planning and Zoning Commission will consider whether the request conforms to the Town’s Plan of Conservation and Development, and whether the request is in the best interest of the Town as a whole.

Inland Wetland Permits

Any activity proposed within 100 feet of inland wetlands or watercourses requires an application to be reviewed by the Inland Wetlands and Watercourses Commission. This Commission reviews applications to ensure that the Town’s inland wetlands are not being harmed by the proposed actions of property owners. This review may be required in addition to review by other land use commissions, such as the Planning and Zoning Commission and Zoning Board of Appeals.

Other Commission Applications

_ Other land use applications may also be required depending on property location or

proposed uses. Additional applications include:

Coastal Area Management Application

_ Required for certain uses in areas generally within 1000 feet of coastal features. This application may be reviewed concurrently with other land use applications. Review focuses on protection of coastal resources and water-dependent uses.

Groundwater Protection Permit Application

_ Required for certain uses in areas designated as part of the Groundwater Protection Overlay District. Planning and Zoning Commission reviews applications with a goal of protecting the Town's aquifers from pollution related to development. This application may be reviewed concurrently with other Planning and Zoning Commission applications.

Zoning Permits

- Zoning Permits issued by the Zoning Official are frequently a "next step" between Commission approval and Building Permits.
- Many land use applications in residential zones, including most single-family house construction and renovations, can be permitted solely through the Zoning Permit process without going to any Land Use Commission.
- Lot line revisions that do not create a new lot should first be reviewed by the Zoning Official to assure the lot line revision meets all zoning requirements.
- Most signage applications can be permitted by the Zoning Official through the Zoning Permit process. Commercial buildings with more than one business require Multi-tenant Signage Programs to be approved by the Planning and Zoning Commission before any signage permits are issued.

Building Permit Applications

- Building Permits are required for any new construction and renovation.
- Chester is a coastal community, and as such, extra attention needs to be given to flood hazard issues. It is important to determine whether a property falls within the floodplain on Federal Emergency Management Maps. Maps are available at Town Hall or at FEMA's website www.Fema.gov. Additional building requirements may apply for properties in FEMA designated floodplains.
- Review with appropriate Fire Marshall for compliance with State Fire Code. The Town of Chester is covered by several individual fire districts which are separate from municipal government. Please contact the Building Department to locate the appropriate Fire District for your property.

_ Check on Public Health Codes for on-site septic systems and requirements for food service providers.

_ A Zoning Permit from the Zoning Official is required prior to the issuance of any Building Permit.

_ Contact the Building Official's Office at 152 Elm Street. Chester, CT 06378. 860-535-5075 0 Fax 860-535-1023 for more information.

_ After construction, a Certificate of Zoning Compliance must be issued by the Zoning Official, followed by a Certificate of Occupancy from the Building Official.

Resource: Regulations: www.Chester-ct.gov/Pages/ChesterCT_Building/index

Note: This document is intended to serve as a guide to the Town's development process and is not in itself a "regulation." Please see applicable land use and building code regulations for more specific guidance.

1. Size and growth

As most of us are not clairvoyants, choosing the right-sized building is difficult. Lease charges are based on square footage, with added costs for taxes and amenities. Costs dramatically increase with the addition of just a few hundred square feet, so don't let size be the deciding factor; consider these other important components listed in this chapter before you race out and sign a lease.

First Plan on Paper: Make a scale drawing of your ideal building, allowing room for equipment and machinery or retail shelf space, work and bench space, storage facilities, vehicles, lunchroom, washrooms, and office space. This should indicate the required minimum square footage to comfortably house your operation.

2. Industrial locations

Manufacturing and distribution premises require research in the following areas:

- **Utilities:** Research the cost of extra plumbing or electrical work and the monthly utilities charges before the lease is signed. Your utility company can give you monthly readouts from the preceding year. Buildings can use considerable power during colder months because they are not economically heated or insulated. You may want to consider a more effective heating method. Don't forget to budget for a deposit on utilities.
- **Warehouse or storage space:** Consider the building's accessibility and maneuverability in relationship to its usage and the equipment or products you are housing. You may need racking or shelving to store inventory. Some real bargains can be found at liquidation centers. If you are shipping and receiving large products, you need adequate dock and loading facilities. Maximize your efficiency by having the right equipment to do the job, otherwise you are practicing false economy.
- **Ventilation:** Windows may not supply enough ventilation during summer, making working conditions oppressive, particularly upstairs. This affects employees' productivity, as will extreme cold. You may have to install air conditioning.
- **Security:** Deadbolts are necessary on exterior doors, bars on windows, and a monitored alarm system is essential.

3. Business and retail locations

Perhaps the biggest mistake made when leasing a retail location is to look for cheap rent. If a retail location is wrong for your business, you are almost signing a death warrant when you sign the lease. Be prepared to pay higher rent for a prime location. Costs are usually indicative of a location's visibility and viability. Here's how to avoid some common mistakes that will cause you future grief:

- Research should pinpoint the competition in the area, so don't lease a building close to them. You'll waste money on advertising trying to attract customers.
- Customers need easy accessibility. Ensure there is ample parking or they will go elsewhere.
- Don't lease a "cheap" retail building in an industrial area, as people visiting industrial areas are on business and not in the mood for retail shopping.
- Moving a business when it has outgrown its premises is costly, so look for a location that will suit your needs for the first five years. Your first two years will not generate enough profit to finance a move, which usually involves extensive, non-recoverable renovation costs.
- Save time physically hunting for the ideal location by using realtors to locate potential premises in your desired area.
- If you lease space in a shopping mall, be prepared to pay a percentage of gross sales to the mall managers toward their communal advertising costs. This can eat a huge hole in your profit margin.

4. Signing a lease

A lease is a legal and binding agreement between the landlord (the lessor) and the renter (the

lessee) for the term of the lease. Because a lease is a complex agreement, have your lawyer explain it to you before signing.

During negotiations, estimate how long you will need the building and ask for “first right of refusal,” which gives you the first option to renew the lease. Any terms and conditions agreed on by the landlord should be documented in the lease, as verbal agreements can be forgotten. For example, when a three-year lease is signed, it must stipulate if and when there will be any rent increases. Usually, you will pay the first and last month’s rent in advance, so include this in your projections. The last month’s rent is held in trust—and should be interest-bearing—until the lease expires.

Property taxes and shared janitorial, maintenance, and strata fees should be included in the cost of the lease. Ask about these extras and budget for them. You are responsible for the monthly rent for the term of the lease, so include a subletting clause as a backup. Most landlords are cooperative and prefer contented, prompt-paying tenants. Talk to your lawyer before signing the lease.

5. Building renovations

Plan your cash flow by dividing renovation costs into priorities: renovations that must be immediately completed those that can wait a few months, and those that can be deferred until the profits start rolling in. Give your business a chance to get started before spending working capital on major cosmetic facelifts to someone else’s building. Get three quotes and look for quality work that comes with a guarantee.

6. Exterior signs

Unless your business is home-based you need signage, a costly addition to your budget. Both the Town of Chester and landlord should be consulted as regulations restrict exterior signs, and your landlord may require signs that conform to certain specifications.

Resource: Full town signage requirements

http://chesterct.org/depart/plan/zoning_regulations.pdf section 111

Ready to Make it Official?

IRS and State Requirements:

The following site will walk you through the requirements for both the State and IRS: [Licensing & Registration Requirements for Business Owners - CT Licensing Info Center](#) or go directly to the State of CT Department of Revenue Services [DRS: Online Registration Application](#) to register your business electronically. An additional helpful guide for that State of CT is: <http://www.ct.gov/drs/lib/drs/publications/pubsip/2006/ip06-11.pdf>. Registering with the Secretary of State, State Tax Division and IRS are required based on your business type.

Navigating the Town Hall

Once you’ve met the above requirements you’ll then need to register with the Town as well.

Town Clerk:

Business Trade Name Information

Any person(s) conducting business under a name other than their own in the Town of Chester shall file a Trade Name Certificate with the Town Clerk (go to Town Website Homepage. **On Our Site** click on **Downloadable Forms** then **Town Clerk’s Department, Tradename Certificate**). Each certificate will state the name of the business, full name of each person(s) conducting such business or authorized officer thereof, post-office address and acknowledged under oath prior to submitting to the Town Clerk. Your original trade

certificate may be mailed along with a fee. You may request a certified copy for an additional fee. Our mailing address is 203 Middlesex Ave Chester, CT 06412.

□□ Obtain information about Personal Property Declarations Form, tax implications, and possible exemptions. If in business by Sept. 1st a business should receive a Personal Property Declaration form and is due by Oct. 1st. If one is not mailed to you, business should call Assessor's Office to receive one.

Planning and Zoning Regulations

Table of Contents

<http://chesterct.org/depart/plan/Zoning%20Regulations%20Table%20of%20Contents.pdf>

Regulations

http://chesterct.org/depart/plan/zoning_regulations.pdf

Taxes and Fees

Personal Property/Real Estate

APPENDIX

Chester Town Hall
203 Middlesex Avenue
Chester, CT 06412
Phone: 860 526-0013
FAX: 860 526-0004
Email: info@chesterct.org

Town Contact Information: 860.526.0013
Administrative Assistant – Ext 202
Assessor – Assessor@chesterct.org – ext 512
Building Official BldgOfficial@chesterct.org – ext 207
Finance Office Finance@chesterct.org - ext 215
Fire Marshall FireMarshall@chesterst.org ext 212
Planning and Zoning ZoningOfficial@chesterct.org ext 208
Sanitation Sanitation@chesterct.org ext 206
Tax Collector TaxCollector@chesterst.org ext 513
Town Clerk TownClerk@chesterct.org 511

Town Hall Hours 830-400 Monday – Friday

Useful Websites –

Town of Chester: <http://chesterct.org>

- Town of Chester Economic Development: http://chesterct.org/?page_id=529
- Town of Chester Planning and Zoning: http://chesterct.org/?page_id=502

Middlesex Chamber of Commerce (Chester, Deep River and Essex):

<http://www.middlesexchamber.com/chamber-information/divisions.aspx>

- Internal Revenue Services: <http://www.irs.gov/>
- U.S. Small Business Administration: <http://www.sba.gov/>
- Score: <http://www.score.org/>
- State of Connecticut: <http://www.ct.gov>
- Connecticut Licensing Center and Smart Start: <http://www.ct-clic.com/>
- State of CT Secretary of State: <http://www.sots.ct.gov>
- Connecticut Economic Resource Center:
http://www.cerc.com/Content/Connecticutand_39_s_Business_Response_Center.asp
- Franchise Registry: <https://www.franchiseregistry.com>
- Fema: www.Fema.gov