

## Thinking of Opening a Business in Downtown Blacksburg? Start with a Plan!

You've taken the first step to opening your own business, doing your homework. There are many things you'll need to know about this next big step, each is meant to make the process a little easier. First, you need a business plan. A conceptual, brief plan that summarizes your business is very useful when meeting with property owners and financial institutions. A typical plan might include:

- A mission statement
- Financial projections
- Marketing strategies
- Analysis of the competition
- Development plans
- Operation and management plans
- Explanation of your legal structure

For assistance writing your business plan, consider contacting the [Roanoke Small Business Development Center](#). Center staff can walk you through the process and offer free advice on starting your business.

### WHAT NEXT?

#### Choose your location and establish a budget

Now that you've prepared a business plan you have a better idea of what you can afford to spend each month. Consider onetime expenses such as permits, possible construction or renovations as well as ongoing expenses such as rent, utilities, taxes and insurance, maintenance, and parking.

##### Step One:

Do your research on available downtown properties and determine the price per square foot. Commercial spaces in the downtown area will be for sale or lease by various property owners. You might wish to secure the services of a commercial real estate broker who can show you suitable properties and be involved in the negotiation process. For a quick search on your own, check out the town-wide commercial properties [directory](#), contact Downtown Blacksburg, Inc., at (540) 951-0454, or the Blacksburg Partnership at (540) 443-2008.

##### Step Two:

Once you find a location that meets your needs, make sure you fully understand all of your obligations under the lease. It is advisable to have an attorney review the lease before you sign.

Interior renovations will likely be needed prior to opening a new business. These renovations will in most cases be necessary to meet town zoning or building code requirements. One key question is whether you or the landlord will bear the financial responsibility for the renovations.

### DO I NEED A BUILDING PERMIT?

Usually, the answer is yes if building renovations are involved, but it does depend on what your plans are for the particular space.

If your new space requires framing, electrical work, plumbing, mechanical, or modification to your sprinkler or fire alarm system, you will need building permits. All work must be performed by licensed contractors. Before making a final decision on the location, staff from the Building Division will be happy to meet with you on site to talk about your project needs. These are the people who will also inspect the work. The Town offers next-day inspection in most cases.

### **Change of Use:**

In some instances your plans will constitute a “change of use” for the property. Examples of the use classifications in the State of Virginia Building Code include Mercantile, Business, and Assembly. The Building Code requires improvements when a change of use occurs from one building code classification to another. For example, if the space was previously used as a retail store (Mercantile) and you are proposing a restaurant (Assembly), a change of use is required because these two uses are regulated by different building code use classifications. However, there are many uses that fall within the same Building Code classification. Staff can help you determine classification of the use as soon as you solidify your plans and choose a tentative location.

### **Substantial Changes to the Space:**

The other way that improvements to the space may be required is if you plan to make substantial changes to the space. The level of changes proposed may trigger required improvements even if the use classification is not changing.

### **For additional information and assistance:**

Town of Blacksburg  
Building Division  
(540) 961-1125  
Blacksburg Motor Company Building, 400 South Main Street

## **SIGN REQUIREMENTS**

Now that you’re opening a business you need a sign to help people find you. Sign permits are issued by the Planning and Building Department. There are some requirements in terms of the number of signs allowed, size, type, and location. Wall signs and hanging signs are the most common signs allowed for a downtown business. Check out the [sign requirements](#) or contact the Planning Division at (540) 961-1126 to verify what signage is allowed *before* ordering a sign. Also, make sure the sign permit (and electrical permit if needed) has been issued *before* the sign is manufactured.

## **DISTRICTS AND ZONES AND WHAT TO KNOW**

### **Downtown Commercial Zoning District:**

The Downtown Commercial zoning district allows a variety of commercial, office and residential uses. The [zoning ordinance](#) is available online and the Planning and Building Department staff can answer any questions you might have about your proposed use. Uses that generate pedestrian traffic are desired on the street level of commercial spaces in the downtown area. If you plan to have an office in a ground floor space, however, you will need a Conditional Use Permit (CUP) which involves a Town Council public hearing.

### **The Historic District:**

There's a chance your proposed business location may fall within the Town's [Historic District](#). If so, exterior renovations, demolition, or redevelopment will be reviewed by the Historic or Design Review Board (HDRB). The Historic District regulations do not contain standards dictating a specific architectural style or require adherence to specific color palates or design features. The HDRB meets twice per month to review projects and looks for general consistency of the proposed changes with the historic nature of your building and the context of downtown. The HDRB also reviews new signs in the district. Town staff will help guide you through this process.

### **The Arts and Cultural District and Potential Incentives:**

The [Arts and Cultural District](#) allows the Town to provide incentives and zoning allowances for arts related businesses in designated downtown areas. The district includes three distinct zones: The [Live/Work/Sell Arts Overlay Zone](#) which allows an artist to live, create, and sell their work from home in a residential area east of downtown; the [Tourism Zone](#) which corresponds to the commercially zoned area of downtown and is aimed at bringing more arts-related businesses and retail establishments to the downtown core; and the [Creative Transitional Zone](#) which covers four separate areas that are already a mix of single and multi-family residential, offices, and non-profit organization uses. The incentives vary by zone but may be a great way to help with getting your business started.

### **For additional information and assistance:**

Town of Blacksburg  
Planning and Building Department  
(540) 961-1126  
Blacksburg Motor Company Building, 400 South Main Street

## **LOCAL TAXES**

### **Business License Taxes**

The Town of Blacksburg requires business license taxes on the basis of gross receipts on businesses operating in the town. You must file an application and pay the license tax by March 1 of each year. A new business must obtain a license prior to the date it begins operation. License processing generally takes approximately 3 to 5 business days.

### **Prepared Food and Beverage Tax**

Every restaurant, caterer, convenience store, grocery delicatessen, etc., engaged in the business of selling prepared food in the Town of Blacksburg must register with the Department of Financial Services, collect the tax, and file the appropriate returns on a monthly basis. The tax rate is 6% of the total cost of the prepared food. This is often referred to as the “Meals Tax.”

### **Transient Occupancy Tax**

Every hotel, motel, tourist home, or other lodging place that, for compensation, furnishes lodging to any person on a transient basis (30 consecutive days or less) must collect the appropriate transient tax. Registration with the Town of Blacksburg is required and returns must be filed on a monthly basis. The tax rate is 7% of the hotel bill.

### **For additional information and assistance:**

Town of Blacksburg  
Finance Department  
(540) 961-1109

## **VIRGINIA STATE TAXES**

### **Retail Sales Tax**

This sales tax is imposed on the gross receipts from retail sales of tangible personal property. The seller collects the tax from the customer. The tax rate is 5% (4% state and 1% local). You must register with the Department of Taxation to obtain a Certificate of Registration and file reports and the tax monthly or quarterly, depending upon the volume of business.

### **For additional information and assistance:**

Virginia Department of Taxation, Richmond, VA  
(804) 367-8037  
<http://www.tax.virginia.gov/>

### **Virginia Unemployment Taxes**

Virginia, in addition to the federal government, levies a tax on employees’ wages. The tax is paid by the employer into a state fund from which unemployment benefits are paid.

### **For additional information and assistance:**

Virginia Employment Commission, Roanoke, VA  
(877) 664-2566  
<http://www.vec.virginia.gov/>

### **Workers’ Compensation**

Any employers who have three or more regular employees is required to furnish workers’ compensation insurance coverage at no cost to the employees. The insurance may be purchased through a private insurance company or the employer can apply to be self-insured to:

Virginia Workers' Compensation Commission, Richmond, VA  
(877) 664-2566  
<http://vwc.state.va.us/>

## **FEDERAL TAXES**

### **Employee Income Taxes**

Employers are required to withhold Social Security (FICA) taxes and income tax from the wages of employees. The taxes should be filed quarterly on Federal Form #941 and deposited in any authorized bank with coupon #8109 (or electronically filed).

### **Federal Unemployment Taxes**

This federal tax, known as FUTA, is assessed on the employer only. An annual tax return, Form #940, must be filed by January 31. Quarterly deposits can be made to any authorized bank using coupon #8109 (or electronically deposited).

### **For additional information and assistance:**

Internal Revenue Service, Roanoke VA  
1-800-829-1040 (Assistance)  
1-800-829-3676 (Tax Forms)  
<http://www.irs.gov/>