

WELCOMING CENTER FOR NEW PENNSYLVANIANS

HOW TO START A COFFEE SHOP IN PHILADELPHIA

Many newcomers to Philadelphia begin their careers as entrepreneurs by opening small business throughout Philadelphia's neighborhoods. Experts note that although coffee shops are popular, they are still profitable enterprises. The Welcoming Center for New Pennsylvanians can be a resource in helping you start your business.



Welcoming
Center for
NEW PENNSYLVANIANS

*Connecting immigrants, employers,
and communities*

HOW TO START A COFFEE SHOP IN PHILADELPHIA

This pamphlet provides an overview of things to consider when starting a coffee shop in Philadelphia. In addition to the basic procedures for opening a small business in Philadelphia, operators of food establishments must meet special licensing and training requirements.

Because every business is unique and regulations are subject to change, this pamphlet is intended for use as a guideline, not a comprehensive resource. It is important that you work with appropriate city departments to make sure you are in compliance with current procedures.

WELCOMING CENTER for NEW PENNSYLVANIANS

The Welcoming Center for New Pennsylvanians works to connect work-authorized immigrants with opportunities they need to succeed in the region. In addition to employment services, legal clinics, and resource referrals, the Welcoming Center provides small business support.

If you are considering opening a coffee shop in your neighborhood, please contact the Welcoming Center. We can help with:

- Information and referral on business resources
- Small business seminars
- English language instruction and customer service training for entrepreneurs
- Technical assistance to business associations with diverse membership
- Conflict resolution training

UNDERSTANDING THE REGULATIONS

Establishments that handle or sell food and drinks are highly regulated in the United States to prevent sickness. It is important that business owners understand and comply with the regulations, for the protection of both their customers and their business investment.

Coffee shops, like many food establishments, are subject to regulations. The fewest regulations apply to food establishments that sell only prepackaged products, so this type of food establishments are easier to start. If you wish to sell *prepared* foods, you must comply with complex Health Department regulations. Also, food establishments that sell food for take-out must seek special zoning approval. Many food establishments work with an accountant or advisor to understand these regulations.

Every business location must be properly zoned. Before you purchase property or begin operations, check to see that the zoning code permits the type of business you plan to establish. There are special zoning requirements for take-out food establishments.

IMPORTANT RESOURCES AND PHONE NUMBERS

CITY OF PHILADELPHIA

LICENSES AND INSPECTIONS (L&I)

1401 John F. Kennedy Blvd., 11th Floor

Public Services Concourse

Philadelphia, PA 19102

License Information – (215) 686-2490

Permit Information – (215) 686-2471

www.phila.gov/li

Contact the City's License Information unit for general license information and license renewals.

Contact Permit Information for building and zoning permit information.

CITY OF PHILADELPHIA

OFFICE OF BUSINESS SERVICES

1515 Arch Street, 12th Floor

Philadelphia, PA 19103

(215) 683-2100

www.phila.gov/commerce

The Office of Business Services is the City of Philadelphia's comprehensive business assistance resource. Call for information about City services, financing and regulations. There is free telephonic interpretation available as well as a city representative designated to working with immigrant entrepreneurs.

DEPARTMENT OF HEALTH

(215) 685-7495

www.phila.gov/health/units/ehs/html/ofp_programs.html

Food establishments require Health Department approval. Contact the Health Department to understand regulations before investing in your business. Doing so will save you time and money.

STEP 1:

PLANNING YOUR BUSINESS

BEFORE YOU BEGIN

Think about basic business operations, including:

- Identify your potential location(s), but do not invest until you understand the Zoning and Licensing and Inspections approval process! If your business is not correctly zoned, there may be long delays until your business is approved.
- Know the law. Federal, state and local laws regulate business operations including taxes, employees, and controlled substances, such as alcohol or firearms.
- Estimate your weekly revenue and expenses.
- Consider creating a business plan. With a business plan, you are eligible for loans, grants, and other financing options. See the back page of this pamphlet for organizations that can help you write a business plan.
- Locate equipment and develop relationships with wholesalers.
- Research business insurance options to protect against damages, crime, or loss of income.

LICENSES AND INSPECTIONS APPLICATION

Request an application package from Office of Business Services to find out what licenses you will need and any other conditions you may have to fulfill. Your application package will include an application for a Philadelphia Business Tax Number, an application for each type of license you seek, and instructions about how to complete the forms. Please contact them at 215-683-2100.

ZONING

In the United States, the government regulates how private property may be used, through a system known as zoning. Zoning governs the “use” of property. For example, zoning indicates whether a property can be used as a restaurant, store, daycare, salon, home, or other function. Zoning also regulates the size, spacing and other characteristics of lots and buildings.

Before you invest in a property or business, check with the Licenses and Inspections Zoning Unit to see if the zoning code permits the type of business you plan to operate. If the location is not properly used, you may not be able to open the type of business you plan to operate or you may have to appear before the Zoning Board of Appeal to ask for a zoning variance.

STEP 2:

BUILDING APPROVALS AND INSPECTIONS

Before you start your business in Philadelphia, you may need some of the following approvals.

You can apply for the following permits at the City of Philadelphia Licensing and Inspections Office:

ZONING

Zoning Unit, call (215) 686-2435

Every business location must be properly zoned. Before you purchase property or begin operations, check to see that the zoning code permits the type of business you plan to establish. Be aware that special zoning requirements regulate take-out food establishments.

CONSTRUCTION PERMITS

Building Permits, call (215) 686-2467

Plumbing Permits, call (215) 686-2450

Electrical Permits, call (215) 686-2513

Be aware that a building permit is required for most new construction or structural alterations. The approval process may require you to submit maps, plans, drawings, and filing fees.

CERTIFICATE OF OCCUPANCY

Buildings Services, call (215) 686-2448

Some business licenses require that you have occupancy approval, usually when the building is new or where there is a change in use.

BUSINESS COMPLIANCE SITE INSPECTION

Business Compliance, call (215) 685-3700

A site inspection is required for certain licenses including parking lots and garages, auto wrecking yards, and laundromats.

FIRE UNIT SITE INSPECTION

Fire Unit, call (215) 686-3712

Businesses that use hazardous materials need this approval.

These permits are also required and must be contacted separately:

STREETS DEPARTMENT

Streets Department, call (215) 686-5525

Businesses that involve sidewalks and streets for uses including dumpsters, parking lots or newsstands, require Streets Department approval.

ART COMMISSION

Art Commission, call (215) 683-2095

Signs, awnings, canopies or similar fixtures and structures that encroach on the public sidewalk or are located in certain zoning control areas may require Art Commission approval.

STEP 3:

HEALTH DEPARTMENT APPROVALS

Health Department

Plan Review Program, call (215) 685-7495

Leave a message and a representative will return your call promptly.

The Health Department Office of Food Protection regulates food handling processes, as well as food establishment construction and alteration. Health Department approvals are complex, especially for food establishments that handle prepared foods.

Contact the Health Department's Plan Review Program to find out about the approvals you will need for your business. Forms and information can also be obtained by visiting the Health Department link on the City of Philadelphia website at www.phila.gov.

Be aware that the Health Department regulates these and other food establishment activities:

- Site and floor plans
- Flooring
- Utility lines
- Ceiling construction
- Beverage systems
- Vermin control
- Lighting
- Water and Waste Drainage
- Restroom and Locker Facilities
- Equipment Design and Installation
- Ventilation
- Reuse and Recyclables

A NOTE ABOUT BUILDING PLANS

If a City official advises you that you will need detailed building plan drawings, be sure to ask for the reasons and get a second opinion. Often, building plans are preferred but not required. You may be permitted to draw the plans yourself, as long as they are drawn to scale. Find out what your options are.

STEP 4:

SETTING UP YOUR SHOP

EQUIPMENT

Before starting your coffee shop, consider whether you will purchase new equipment, purchase used equipment, or rent equipment.

You will also need to decide whether you will be roasting your own coffee beans or purchasing roasted coffee from wholesalers. And you will need to decide what method you will use to make coffee (filter, drip, press, percolator). This will determine what equipment you will need and it will also determine the degree to which you grind the coffee beans.

Many coffee shops also carry specialty teas, flavor syrups, baked goods, and sandwiches. It is a good idea to do some research around the location of your shop to determine the need for these additional products.

Below is a list of some of the equipment and supplies you will need to set up your coffee shop:

- Coffee grinder
- Coffee maker
- Espresso machine
- Coffee roaster (if roasting own coffee)
- Display refrigerator
- Sink/dishwasher
- Coffee pots/thermoses
- Cups, cutlery, cup sleeves, napkins, plates, etc.
- Toaster and/or microwave

REACHING OUT TO WHOLESALERS

The next thing you will have to do is develop relationships with coffee roasters and food distributors. To ensure flexibility, it is useful to make contacts with more than one vendor. There are various websites, wholesale markets, tradeshow and conventions where you can find out who the local wholesalers are and how to access their products. Also, contact your local business association or chamber of commerce for networking opportunities and resources. The Welcoming Center can direct you to your local business association and give you ideas for further networking opportunities.

INTERNET ACCESS

In addition to serving specialty coffees and teas, many coffee shops also provide space for people to bring their laptops and access the internet. You may, therefore, want to consider equipping the space with wireless internet access.

FOOD SAFETY CERTIFICATION PROGRAM

Most food establishments, including coffee shops, groceries and restaurants, are required to have one or more employees certified through a Food Safety Certification program. The certified person must be present whenever food is being handled, prepared, served or sold.

For business operators new to Philadelphia, there is a 90-day grace period from the time you open your business until you must show proof of Food Safety Certification.

OBTAINING CERTIFICATION

Most people meet certification requirements by completing a Food Safety course. This course is usually 16 hours long and typically completed in two days. In Philadelphia, a number of providers offer the course in languages including English, Spanish, Chinese and Korean. You may request a list of training providers by calling the Food Protection Office at (215) 685-7495.

Certification is good for 5 years, after which you may be re-certified.

Once the course is completed, you must fill out the City's "Application for Food Establishment Personnel Food Safety Certificate" and submit a \$25 fee to the Department of Public Health. You can find the application online at www.phila.gov/health and follow the links for environmental health, then food safety.



BASIC LICENSES FOR COFFEE SHOPS

Listed below are some of the most common business licenses needed to operate a coffee shop in Philadelphia. Be aware that you must also meet state and federal registration and licensing requirements.

BUSINESS PRIVILEGE LICENSE – \$250

Every business operating or conducting business within the boundaries of Philadelphia must first obtain a city tax number and then a business privilege license.

FOOD PREPARATION LICENSE – \$125 (under 50 people) \$450 (over 50 people)

Facilities that prepare and serve food for consumption must hold this license, which requires a Health Department inspection.

DUMPSTER LICENSE – \$50 on private property, \$300 on a public street or sidewalk

A license is required for any dumpster one cubic yard or larger.

RETAIL FOOD LICENSE – \$125 for businesses less than 5,000 square feet, \$440 for businesses more than 5,000 square feet

This license is required for facilities that sell foods without further preparation or assembly.

SALES TAX LICENSE – No Fee

The Pennsylvania Sales Tax License is required for most retail establishments. For more information, call 1-888-PA-TAXES.

ZONING USE REGISTRATION PERMIT – \$80

Every business must register its business activity for each location where it does business. A new business moving into an existing store must also obtain this permit.

SMALL BUSINESS ASSISTANCE

These organizations offer free or low-cost services to Philadelphia-area entrepreneurs.

EMPOWERMENT GROUP

(215) 427-9245

Nonprofit organization providing entrepreneurship education, on-the-job training, and business development

THE ENTERPRISE CENTER

(215) 895-4000

West Philadelphia-based nonprofit entrepreneur resource center offering a minority entrepreneurship program

THE MERCHANT'S FUND

(215) 399-1339

Organization which provides merchants grants in the area of economic crisis, emergency situations, and loan matching.

PHILADELPHIA COMMERCIAL DEVELOPMENT CORPORATION

(215) 790-2200

Agency providing small grants, loans, and general business support to qualifying businesses.

SMALL BUSINESS SUPPORT CENTER, INC.

(215) 790-5000

City resource center offering consulting, a business information library, and video-conferencing and computer resources

SCORE

(215) 580-2712

National non-profit organization which provides free one-on-one business counseling and seminars for entrepreneurs

TEMPLE UNIVERSITY SMALL BUSINESS DEVELOPMENT CENTER

(215) 204-7282

Consulting and training services to plan and grow your business

WHARTON SMALL BUSINESS DEVELOPMENT CENTER

(215) 989-4861

Offering information, training and consulting to entrepreneurs

WOMEN'S BUSINESS DEVELOPMENT CENTER

(215) 790-9232

Nonprofit organization providing financial, management, technical, procurement and certification assistance

WOMEN'S OPPORTUNITIES RESOURCE CENTER (WORC)

(215) 564-5500

Nonprofit organization offering training, individual business assistance, and access to business and financial resources

The Welcoming Center for New Pennsylvanians is a nonprofit organization that works to promote immigrant participation in the region's economic, political, and social life. These individuals enhance the productivity, profitability, and stability of the region's businesses and contribute to the state's overall economic growth.

MAIN OFFICE

1617 JFK Blvd. 13th Floor
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phone 215-557-2626
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www.welcomingcenter.org

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