



**TRELLIS**

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***DISCLAIMER: This outline is a general guide. Be sure to contact an attorney if you have questions or specific issues that need to be addressed.***

## **OPEN FOR BUSINESS: Legal Considerations for Opening a Brick-&-Mortar Space**

Think your sourdough could make some serious dough? Or perhaps you'd like to take that online store to IRL. From art galleries to spin studios, opening a brick-and-mortar location is an exciting step in every entrepreneur's journey. But there is a lot of work before you flip that door sign to OPEN. This resource covers a few legal considerations to ensure everything is running rosy come grand opening.

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### **Meet with an attorney**

Early on, you'll want to meet with a lawyer to keep you apprised of all that opening a shop such as yours entails. What legal obligations do you have, and what other legal protections should you take advantage of along the way? No matter what your business, a business attorney can help you understand the legal requirements related to your specific industry, location, and business goals.

### **Set up an entity**

An entity [like an LLC](#) can provide protection so you cannot be found personally liable for the actions you conduct within the scope of your business. You will want to [create your entity early on](#) in this process if you don't already have one so that any contracts including leases, financing, insurance, licenses, and other agreements and purchases are entered into under the business's name.

If you're buying a building for your brick and mortar you may want to set up a separate entity to hold the building and lease it to your actual retail business to separate your business liability from the property. Or, if you plan to buy an already operating business or a property yourself, your attorney will help you make sure everything is as it should be in this realm, and help develop an appropriate strategy for your needs.

**Learn More:** Check out our free resource "[The Basics of Buying a Business](#)" to better understand the process of what's involved in a business purchase!

### **Find Your Spot**

This step looks different for every business. Perhaps you're taking on a space from a current business, or you've stumbled upon a must-have location. Maybe you see potential in your own neighborhood or you really don't know where you want to be yet, as long as you get to do your thing. It's important to check local zoning rules for the space you want to use as not all businesses are allowed everywhere due to zoning rules. **(Not sure about your zoning rules?** Your attorney can help you find this!) A good commercial real estate agent can be helpful too as they may know about the standard rental rates in an area, places not yet on the market, and can help find spaces that fit your need.

If you find the perfect space, it's available, and you enter into an agreement to either buy or rent the location, you may create an "LOI" or "Letter of Intent" with the landlord or building owner to get a rough sketch of the key terms of the space, such as rent or purchase price and other important components. Then, you will begin the process of leasing or purchasing the space.

#### **Negotiate and Enter into Your Commercial Lease**

If you aren't outright buying the property for your storefront or location (talk to your attorney for help with this if you are!), you will most likely enter into a lease with the building's owner. Commercial leases are different from residential ones because the landlord can put much more responsibility, including damages and certificates of occupancy, on you, the tenant. You also want to make sure that if you are doing any build out, your lease gives you some time to do so without paying rent. A bad commercial lease can end up being costly, frustrating, and can harm the future of the business. It's highly recommended to work with a lawyer to best negotiate and advocate for your needs and desires under your lease, and to help you understand your obligations and abilities as a commercial tenant.

**Learn More:** Download the free resource "[Key Terms in Commercial Leases](#)" available in the Trellis [Resource Library](#) to learn about important protections to make sure you have as a tenant.

#### **Start the Design and Build Out**

Let the fun begin! Once you've got the keys to your new place of business, you may need to build it out just as you need for your specific place. (Importantly, the ability to build out a space, the extent of this ability, and the ownership of what you build out is something you will want to negotiate and make clear in your lease!) It's important to check your local building codes and rules for what areas involved in a build-out you may need specific permits and approvals for. If you're knocking down walls, installing new plumbing or electric work, or doing other major changes to the facility, chances are you probably need a permit. Your contractor or architect can help you understand what build-out requires permits and how to go about getting one.

Once a space is finished, you are required to have a Certificate of Occupancy. If you haven't done much work, the space may already have one. If you have done a lot of work or changed the type of business, you may need a new one. You can usually find whether a space has one and how you can get one on county or municipality records.

#### **Any Other Required Licenses and Permits**

Depending on the business type you may need other licenses and/or permits and may be required by law to display them. For example, food and beverage establishments have very specific health code and permitting requirements (See our blog on the updates to Article 3 food safety rules in Allegheny County, Pennsylvania) and inspection requirements. Other industries, such as hair salons, may have other licensure display and health code requirements. If you're selling certain goods, you will need to obtain a sales tax license (your accountant can help you with this!)

You may have to go through specific inspections and approvals before opening so make sure you check for your specific business' rules!

#### **Build your team**

If you plan to hire help when your business opens, make sure you understand [your legal obligations as an employer](#) and have other strategies in place for making your space a safe and positive work environment for all. We recommend putting together offer letters for the staff you intend to bring on

and create an employee handbook that describes the expectations of your team members.

**Learn More:** Our [Intro Guide to Onboarding Employees](#) in the Resource Library goes into greater detail with recommendations and obligations of you as an employer.

**Additionally, if you're accepting tips,** make sure you understand updates department of labor rules regarding tip wages. [Read our blog post on the newest Pennsylvania updates.](#)

#### **Other Considerations**

No two businesses are alike, and there may be other important things to think about before you open. Here are just a few:

- Is there any other [liability at play](#)? For example, if you're opening an exercise or yoga studio, you may want to make sure your participants sign an activity waiver and release in the event they get injured in your space. (Check out the [activity waiver contract template](#) available for purchase in the Trellis Template Library!)
- Absent a few exceptions, you must have appropriate music copyright licensing to play music in your business. Not having the proper licenses can lead to hefty fines so you will want to make sure you understand whether you need one, and how you can obtain these. (Sometimes even a jukebox provider can help you with this!)
- Planning to advertise? Our [Business Advertising 101](#) resource outlines some considerations and potential requirements for getting your shop off the ground.
- There are so many great professionals who exist to help you be protected and thriving! A few of our favorites are accountants and insurance agencies. Check out our [Small Business Resource](#) for more and how they may be able to help you.

#### **You did it!**

Opening a storefront, shop, space, location – whatever you want to call it – is a big deal to be proud of! Don't forget to take a step back from the chaos and celebrate all you've created. Congrats!

#### **And don't forget, we're here!**

Just because you've opened your space doesn't mean your lawyer isn't there. And if you've already started the process, it's not too late to call for help. At Trellis Legal, we never charge our clients to reach out and we'll always provide you with a quote or more details on pricing after you do. So don't be a stranger! If you ever have a question or just aren't sure about a decision, we're here to guide you through it – from the rough days to the special, celebratory ones.