

Licenses, Permits and Paperwork...

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OH MY!



The initial phases of opening a new restaurant can be the most challenging for even the most experienced restaurateur. They are critical phases of development that have an impact on both the timeline and economics of any project.

Whether the project is a simple interior renovation or new construction from the ground up, involving 1000 square feet or 30,000 square feet, the processes, necessary approvals and amount of documentation required for permitting and licensing are generally the same.

Following are some tips and suggestions to help any restaurant developer navigate the perils of permitting and licensing in the industry.

Create a team

Be sure to assemble a development team from the very beginning that is made up of professionals who are knowledgeable in the industry and who have the resumes and clientele to show they can deliver. This investment can prove to be the best money spent on any project.

Once architectural drawings and construction documents are finalized and ready to be considered for permitting, your success in the building department plan review stages will be determined by the caliber of those documents.

Be certain your architect and engineers are familiar with current commercial, local and state building codes and regulations. If they are out of state from the project site, suggest they hire a local expeditor who is familiar with the venue and application processes.

It is best to hire a general contractor who specializes in, or who is at least experienced in, restaurant construction and who is familiar with the complexity of such things as state and

local plumbing requirements, grease traps and other factors specific to restaurants.

Define the agencies and authorities

It is pivotal in the permit and licensing processes (a) to identify all agencies having jurisdiction (AHJ) relative to the permits and licenses you will be applying for and (b) to define the path of communication within those agencies.

Building departments. The first step in the permitting process is to verify the physical address of the project with the building department issuing the permits. This seems like an obvious step in your due diligence, but a necessary one. It can be costly to find out that you're applying to the wrong building department after construction documents have been prepared based upon the criteria of a different governing venue.

During your conception and start-up phases there are several things to be considered that will be essential in determining your projected job costs, timelines for contractor bidding and establishment opening date. This is also when you determine which professionals in which disciplines will be required in order to complete all applications and required documents for the permitting process.

Keep in mind that in the current economic climate, AHJ are continually revising fees and criteria for permitting and licensing. It may seem that some building departments are like constant moving targets when you are trying to hit the bull's eye of satisfying those authorities. It is a necessary part of the permit and paperwork process to continually verify verbally with people within the AHJ what the current criteria is to begin the permit and plan review process. Do not rely on the AHJ websites to be updated with current requirements and fees.

Some of the basic questions to ask the building department with regard to the plans

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review and permitting process should include:

- *Is an expedited review process available?*
- *Must the plan review submittal be made in person? Are there any restrictions as to who can submit the plans?*
- *Does a general contractor have to be selected prior to submitting for permit plans review?*
- *What documents are required for plan review? Example: How many sets of signed and sealed construction drawings, energy calculations and applications are required?*
- *Is there an upfront fee to start the plans review process? What is the amount of the permit fee and how is the fee calculated?*
- *Is a demolition permit required to start construction? If so, how long does it take to obtain the permit?*
- *Is an asbestos abatement or survey required to do demolition?*
- *How long does it take for the initial plans review to be completed? Subsequent reviews?*
- *Is the fire review a separate permit conducted by a separate entity, or is this done in house?*
- *If applicable, do you need landlord-approved drawings or a landlord-approval letter defining your right to occupancy in order to submit for plans review?*

Zoning departments. Zoning department approval in all venues is required for construction permit approval and is a part of all beverage licensing applications as well. Zoning reviews are typically the most aggressive and time consuming. Some of the questions you should ask of those departments with regard to permitting and beverage licensing should include:

- *Is a Community Review Board appearance required?*
- *Are construction drawings required to be considered by an Architectural Review Board or committee?*
- *For a Beverage Application, will a "Wet Zone Survey" be required?*

General licensing requirements

State AHJ review. A separate review of construction drawings will be required by the state AHJ over hotels and restaurants. This review is usually performed in conjunction with and required for applying for an Establishment License. The same type of due diligence conducted for your building permit set out above should be applied to this process as well.

Establishment license. This license is issued by the AHJ over hotels and restaurants and typically requires a separate application process and fee based upon chair count and other criteria determined by the AHJ.

Tax receipts. County and city occupational licenses are required in most venues and are issued by local city and tax authorities. The requirements for tax receipts vary from venue to venue and range from simple to detailed. Most AHJ will require the establishment to obtain a Certificate of Occupancy from the local building department prior to applying. Some will require a Fictitious Name Filing with the state if the establishment name (on signage, menus, etc.) differs in any way from

the name of the corporation or limited liability company connected to the licenses.

Beverage licensing

The requirements and laws governing beverage licensing vary to extremes in each municipality and county of every state throughout the United States. It is therefore not possible to go into detail here, but the following are some general points to be considered if your restaurant will be serving alcoholic beverages.

- For restaurants offering beer and wine or full-bar beverages, it is crucial that the timeline for beverage licensing approval coincides with the opening date of the establishment. For this reason alone, unless you have an in-house licensing department, consider hiring an experienced professional, i.e., someone who is not only familiar with the application process, but who can advise you of the laws surrounding the license and your premises and how you as an owner can protect the integrity of your beverage license, staff and customers.
- It may take up to nine months or more in some venues of the U.S. to go through the processes necessary to obtain a beverage license.
- Beverage licenses will typically require AHJ sign-offs and approvals from health agencies, the Department of Revenue and zoning departments to name a few. These sign-offs can be time sensitive, meaning each signature is only valid for a specific number of days or months.
- Zoning review and approval that is obtained from building departments will usually have the greatest impact on the timeline and budget. They can require consideration and approval from other AHJ such as boards of county commissioners, city halls, mayors and community review boards to name a few.

Though the process is complex, any restaurant developer can navigate through and even avoid the perils of permitting and licensing by remembering one thing: Due diligence is never overrated. Take the time or hire someone to investigate the details, processes and AHJ and have them provide a summary of findings by which to gauge your job cost, budget and timeline.

Most important, hire a team of professionals you can rely on, those who share a strong philosophy and approach to delivering successful projects. They are all a part of what influences licenses and permits.

Candi Gray is the owner of Emerald Coast Permitting, which specializes in turnkey restaurant and retail development from establishment conception to opening. All permits, reviews and licenses are included in the seamless scope of work they provide. Contact Ms. Gray at (850) 259-2418 or [www.emeraldcoastpermitting@cox.net](mailto:emeraldcoastpermitting@cox.net) for more information.