



Business Guide:

Discover Doing  
Business in Hanover, PA



## Letter From The Mayor

Thank you for considering opening and growing your business in Hanover, Pennsylvania. Downtown Hanover is located in the heart of a growing region that boasts accessibility, competitive cost of living, strong and ready workforce and recreational opportunities. Add to that the downtown's charm, friendliness, walkability, affordability, and historic character and you have a dynamic combination. There are many viable business solutions in downtown Hanover for you to consider.

We invite you to discover doing business in downtown Hanover.

Mayor Ben Adams  
The Borough of Hanover

### Introduction:

This guide was prepared by the staff of Main Street Hanover, an initiative of the York County Economic Alliance. Comments and inquiries should be addressed to: Main Street Hanover, 146 Carlisle Street, Hanover PA 17331. 717-637-6130. [www.mainstreethanover.org](http://www.mainstreethanover.org)

The mission of Main Street Hanover is to expand the economic capacity of downtown Hanover, thus improving the business environment, enhancing the quality of place, and increasing community synergy

The items in this booklet are intended as a guide only and have been carefully researched and deemed correct. However, the York County Economic Alliance, Hanover Borough, and the Hanover Area Chamber of Commerce cannot be held responsible for errors or omissions. The information provided herein is not meant to constitute legal advice. Please contact Main Street Hanover with any suggestions or corrections to improve the quality of the resource guide.

Additional information is available through the Department of Economic and Community Development (DCED). Whether you are an existing business, a new business, or a business wishing to relocate to Hanover, you will find the services at DCED to help you reach your goals. [www.newpa.com](http://www.newpa.com)



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### This Guide Will:

- ◇ Introduce you to Main Street Hanover
- ◇ Help you understand the basic steps to plan and open your business
- ◇ Provide you with information to guide you in your decision making process
- ◇ Help you manage the business development process so you open quickly and efficiently

## About Main Street Hanover (MSH)

Main Street Hanover launched in January 2013, a collaborative effort between Hanover Borough, Hanover Area Chamber of Commerce, Partnership for Economic Development of York County, and York County Economic Alliance. Following the Main Street Four Point Approach<sup>®</sup> of Organization, Design, Economic Restructuring and Promotion, the community has embraced the revitalization movement.



**MSH** Mission is to expand the economic capacity of Downtown Hanover, thus improving the business environment, enhancing the quality of place, and increasing community synergy.

**MSH** strives to provide the community with a strong foundation by developing programs and events that will showcase Downtown Hanover.

**MSH** embraces our community, rich history, celebrates memories and provides a platform for residents and visitors to uncover the beauty of the scenic downtown. From large community events to revitalization programs, MSH strives to create a sense of place for its residents, businesses and guests.

**MSH** is actively seeking additional restaurants, boutiques, retailers; wedding services, professional offices, design and marketing firms, and market rate housing options to further enhance the downtown. Downtown Hanover supports niche markets – by strategically placing businesses in locations that will benefit from the affordable, visible spaces, Main Street Hanover is revitalizing the heart of the region.

**MSH 2nd Saturday Events:** Main Street Hanover encourages all businesses in the Central Business District to embrace Second Saturday's and run special events, specials, sales, and activities to drive traffic to the downtown. Visit [www.mainstreethanover.org](http://www.mainstreethanover.org) for monthly themes.

## Downtown Hanover Vision Statement

Hanover, Pennsylvania, at the crossroads of history and heritage in the south-western corner of York County, is a bucolic residential community and a bustling hub of industry and innovation. Centrally located, Downtown Hanover is easily accessible at the intersection of PA State Routes 94, 194 and 116, and a relaxing scenic drive from Gettysburg. Experience Downtown Hanover as an affordable place to live, an ideal place to work, a vibrant place to shop, and a fun place to be.

### Get a taste of what Downtown Hanover has to offer...

**As a way of life.** Downtown Hanover is an inviting home to young professionals, families, and empty nesters, where people choose to live and work in a walkable and healthy community, enjoying a high quality of life. Utilizing upper floor living opportunities, downtown offers a variety of unique and creative places to be and to be seen. Gather on the Square and town's many parks, meet new friends and connect with old ones for a quick lunch, a relaxing dinner, or an evening concert.

**As an economic & industrial hub.** Supported by an educated workforce focused on lifelong learning and a strong work ethic, Downtown Hanover is the center of inventive and traditional manufacturing and industry. By sustaining and investing in local artists and innovators, start up businesses, or lasting generational establishments, the spirit of entrepreneurship is strong and thriving in Downtown Hanover.

**Appreciate the rich historic character.** Downtown Hanover's storied past and legendary colonial and Civil War history provide the foundation for discovering and honoring those who have come before - from the town's sturdy German roots to tales from the Battle of Hanover. As a first time visitor or a lifelong resident, stroll through town and enjoy the strong preservation ethic while marveling at the historic architecture including Colonial Revival and Queen Anne style buildings.

**Enjoy food, glorious food** – whether it's enjoying the bounty from the Hanover Farmers' Market, sampling the flavors of Hanover's local snack food kings, or dining at outdoor cafés, neighborhood pubs, and local bistros, Downtown Hanover appeals to a variety of tastes. Celebrate a special occasion, grab a quick bite, or enjoy an everyday meal and delight in locally-grown food and locally-inspired cuisine.



### *Fun Hanover Fact*

*Hanover, Pennsylvania is known by many as the snack food capital of the United States. Hanover has been featured multiple times on the Food Network. It is home to Utz's Quality Foods and Snyder's-Lance and in nearby areas there are others including Hanover Foods, Wolfgang Candy, Martin's Potato Chips, Hershey Foods, and Gibbles Potato Chips, among others.*

## Success Stories



### Timeline Arcade

*Step back in time and into Timeline Arcade. Come for the nostalgia and stay for the fun! Timeline opened their doors in 2010 and by 2013 moved to Downtown Hanover to a bigger facility. They are the LARGEST classic arcade in South Central PA with over 100 games to play. Timeline Arcade is a place where you can play pinball, video, and other interactive games from the 1960's to present day. The Timeline Arcade is fun for the whole family!*

*22 Carlisle Street  
[www.timelinearcade.com](http://www.timelinearcade.com)*



### The O'Donnell & Barr Law Group, LLC

*At O'Donnell & Barr, their clients come first. Their expertise and integrity have earned them a reputation as a premier legal firm. O'Donnell & Barr's mission is dedicated to achieving the best outcome for every client. The law firm relocated to Downtown Hanover in October 2013. They specialize in corporate, criminal, and probate/estate law.*

*11 Carlisle Street, Suite 310  
[www.odonnellandbarr.com](http://www.odonnellandbarr.com)*



### Ox Paperboard

*Ox Industries has grown from one plant manufacturing paper tubes and cores in Hanover, PA to a company with five manufacturing locations, employing over 300 employees with annual sales of \$120 million across three vertically-integrated divisions: OX Paper Tube & Core, OX Paperboard and OX Engineered Products. OX prides itself on having the resources of a large company, while maintaining the flexibility of a smaller one. Ox moved its administrative offices to downtown Hanover in 2013*

*331 Maple Avenue  
[www.oxengineeredproducts.com](http://www.oxengineeredproducts.com)*



### Warehouse Gourmet

*Located in Downtown Hanover since 2005, in November 2012 the Warehouse Gourmet: Casual Bistro Restaurant opened the Upstairs Pub and now sells their own Handmade Craft Beers and Pennsylvania Wines. They have a great selection of 10 rotating beers ranging from Small Town Brown Ale to Imperial Leggy Blonde to Screaming Peacock Smoked Porter.*

*7 Pennsylvania Avenue  
[www.warehousegourmet.net](http://www.warehousegourmet.net)*

## Downtown Improvement Program—Central Business District

### Façade Program

The Hanover Chamber and Main Street Hanover continue to focus on Downtown Hanover. The Keystone Façade Grant Program through the Department of Community and Economic Development is designed to stimulate private investment in properties, foster an attractive environment and preserve the architectural heritage of properties.

Keystone Façade Grant program requirements:

- ◇ Grants are for exterior building improvements in a specific downtown or neighborhood
- ◇ Grant limits are \$5,000 per façade (home or storefront)
- ◇ Must be matched dollar-for-dollar by the individual owner of the property
- ◇ The following activities are eligible for reimbursement: Sign programs (storefronts), paint programs, design assistance, and building façades (housing and commercial)



Main Street Hanover, the Hanover Chamber, and Hanover Borough have submitted an application to DCED for this program and are awaiting approval. If you are interested in this program or have any questions about the location of your property, whether it is in the district, and criteria for applying, please feel free to contact Main Street Hanover at 717-637-6130.



*\$28,000 in façade grants were approved and awarded in 2012/2013 for projects valued at \$80,000 under the former grant program.*

## Parking in Downtown Hanover

Did you know that downtown Hanover has 609 metered parking spaces? At only .10 cents per 30 minutes, that equals 2 1/2 hours for only .50 cents! Parking permits are available from the Borough for \$25 per month. Downtown Hanover has affordable, plentiful parking.

Metered parking is in effect from 8:30 a.m. to 8:30 p.m. Monday - Saturday. Parking is free on Sundays and the following holidays: New Year's Day, Fourth of July, Veterans Day, Thanksgiving Day, and Christmas Day.

The Central Business District is approximately a 2 block radius from the Center Square.

- ◇ On street parking throughout the downtown
- ◇ Highest business concentration
- ◇ All three major routes cross over the area
- ◇ Community events held regularly
- ◇ Center Square has 4 parking quadrants

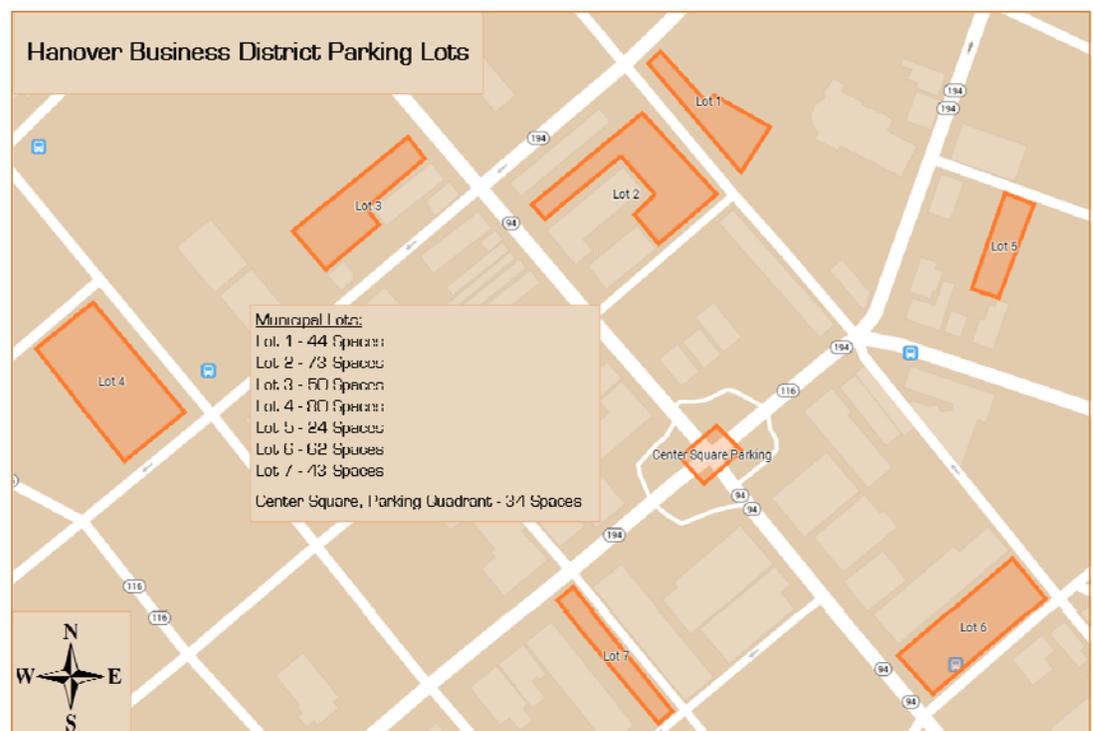
Daily Traffic Count

Route	Count
Route 94	21,000
Route 116	16,000
Route 194	12,000
<b>Total</b>	<b>49,000</b>

## Municipal Lots

- ◇ Across from Railroad Street
- ◇ Next to Visiting Angels on Carlisle Street
- ◇ Between YWCA and Neas House on W. Chestnut Street
- ◇ Across from the Hanover Movie Theater on Fredrick Street (Next to Borough Offices)
- ◇ On Baltimore Street between Club 2000 and E. Walnut Street
- ◇ On York Street across from Hanover Hub

Now that you know how much available parking there is in downtown Hanover, what better place to establish your business!



## General Demographics for Hanover Borough, Pennsylvania

Population: 15,349

Median household income: \$45,841

Total households: 6,763

Average household: 2.23 persons

Average family size: 2.82 persons

Land area in square miles: 3.71

Persons per square mile: 4,117.7

*Source: Census 2010-2012*

*The Greater Hanover area has a population of about **55,000 residents**. The community is made up of Hanover Borough, Penn Township, Heidelberg Township, Manheim Township, West Manheim Township, Conewago Township, Berwick Township, and Union Township. All of these areas have Hanover, PA listed as their address.*

- ◇ [American FactFinder](#)
- ◇ [Population Statistics](#)
- ◇ [Labor Demographics](#)
- ◇ [Social Security Fact Sheet](#)
- ◇ [U.S. Census Bureau Quick Facts](#)
- ◇ [Commuter and Worker Information](#)
- ◇ [Real Estate Profile](#)



*Demographics are the characteristics of a human population. This information is often used by small business owners to conduct research into where opportunities exist within their market and in developing appropriate business and marketing strategies to target customers. Use the statistical resources below to help you find out more about the U.S. population and uncover information that can be used in your business research efforts.*

## Choosing Your Downtown Location

Main Street Hanover and community partners work closely with businesses for promotion, retention, and attraction to increase the vibrancy and enhance the vitality of downtown Hanover. In a coordinated effort, Main Street Hanover's Economic Restructuring Committee works to grow the local economy by targeting existing buildings for residential and commercial redevelopment while attracting and expanding the downtown business base for investment and removal of growth barriers.

By expanding on the downtown business base, Main Street Hanover will direct investment to available spaces for lease and purchase, matching needs with use and maximizing the opportunity for success and growth.

Do you want a main street storefront? Do you require extra space for storing finished products? Are you looking for your location to be near your targeted customers or satisfy specific logistical needs? As you explore potential locations for your business, investigate the zoning, traffic, parking, signage and building regulations in each prospective location. For questions on downtown Hanover vacancies or available real estate, call 717-637-6130

Main Street Hanover is actively seeking additional restaurants, boutiques, retailers, wedding services, professional offices, design and marketing firms, and market rate housing options to further enhance our downtown. The downtown supports niche markets - by strategically locating your business in downtown Hanover, you will benefit from affordable, visible space in an up and coming area that is on the cusp of transformation.

Main Street Hanover is working to expand the economic capacity of downtown Hanover, with the goals of improving the business environment, enhancing the quality of place, and increasing community synergy. We welcome you and your business, and look forward to a collaborative relationship full of success and growth.

### Checklist for Potential Business Locations

- ◇ Appropriate zoning for the type of business
- ◇ Cost of land, building, facilities
- ◇ Building codes
- ◇ Cost of utilities (installation)
- ◇ Availability and cost of utilities (monthly estimate)
- ◇ Cost of monthly lease or mortgage payment
- ◇ Cost of renovation or leasehold improvements
- ◇ Availability and cost of security system
- ◇ Expansion potential
- ◇ Condition of neighboring properties
- ◇ Convenient proximity to your home
- ◇ Availability of police and fire protection
- ◇ Availability of the types of employees needed
- ◇ Transportation and availability of raw materials
- ◇ Occupancy permit requirements
- ◇ Access for customers with disabilities
- ◇ Tax structures and payment methods of local and regional government
- ◇ Proximity/distance from competition
- ◇ Maintenance costs for property, building and parking area
- ◇ Availability/restrictions on parking
- ◇ Convenient proximity to primary highways
- ◇ Traffic count (see page 7)

## Resources for New and Existing Business Owners

### Ben Franklin Technology PARTners

[www.benfranklin.org](http://www.benfranklin.org)

Ben Franklin Technology PARTners is a statewide network that fosters innovation to stimulate Pennsylvania's economic growth and prosperity. Operating regionally with four centers strategically located throughout the commonwealth, Ben Franklin Technology PARTners brings together the best of Pennsylvania's people, ideas, and technology to serve as a catalyst for advancing the state's knowledge based economy.



### Community First Fund

[www.commfirstfund.org](http://www.commfirstfund.org)

CFF strives to assure that all individuals have an opportunity for access to capital and training to start or grow their small business. To this end, they provide classroom training sessions, individualized one-on-one counseling sessions with a CFF loan officer, and lending for small business start-up, purchase, expansion, etc. CFF also actively seeks opportunities to fund development of low and moderate income housing within our communities.



### Investors Circle of York

[www.ycea-pa.org/icy](http://www.ycea-pa.org/icy)

Angel investors group which provides capital for start-up, expansion or acquisition activities, YCEA serves as the first point of contact for entrepreneurs interested in receiving ICY funds.



### J.D. Brown Center for Entrepreneurship

[jdbctr.ycp.edu](http://jdbctr.ycp.edu)

The J.D. Brown Center was established in 2006 to promote initiative, creativity, individual opportunities and to add value to the local community. The center helps to enable growth by offering various support programs and development of entrepreneurial skills. Its mission is to fuel the entrepreneurial engine of central Pennsylvania and northern Maryland.



### MANTEC

[Mantec.org](http://Mantec.org)

MANTEC is a resource created to provide manufacturers with customized solutions, to deliver measurable results in productivity, profitability and competitiveness.



### Manufacturers' Association

[www.mascpa.org](http://www.mascpa.org)

The Manufacturers' Association is an advocate for manufacturing and related industries. Offering two types of memberships to the community—General manufacturing and Associate non-manufacturing—allows them to work with many types of organizations.



### Office of Workforce Development

[www.ycea-pa.org/owd](http://www.ycea-pa.org/owd)

The Office of Workforce Development within YCEA provides direct contact to companies to help address employers' current and future workforce needs. OWD serves to build, coordinate and strengthen York County's network of workforce service providers (such as York County Alliance for Learning, Manufacturers' Association, York County CareerLink, etc.) and to identify long-term workforce development strategies.

## *Resources for New and Existing Business Owners Continued...*

### **PSU Cooperative Extension and Outreach**

[www.extension.psu.edu](http://www.extension.psu.edu)

Helps individuals, families, businesses, and communities throughout Pennsylvania with information and a broad range of educational programs designed to: Support productive, profitable, and competitive businesses and a strong agriculture and food system; strengthen families, children and youth, and the elderly; build caring, safe, and healthy communities; ensure the long-term vitality of Pennsylvania's natural resources; enable people to better understand and deal with complex public issues.

**Penn State Extension**

### **Shippensburg SBDC**

[www.ship.edu/sbdc](http://www.ship.edu/sbdc)

The Shippensburg University Small Business Development center has a team of professionals that can work confidentially with local entrepreneurs. They are available in Adams, Cumberland, Franklin and York counties to help your new business retain a competitive edge. Shippensburg USBDC is an accredited affiliate of the National Network of Small Business Development Centers.



## *Hanover Specific Business Resources*

### **Hanover Area Chamber of Commerce**

[www.hanoverchamber.com](http://www.hanoverchamber.com)

The Hanover Area Chamber of Commerce serves as an advocate for member businesses and the community. As a local partner, the Chamber plays a key role in workforce development initiatives and provides its members with valuable programs, products and services that support business development and growth. Members also benefit from member to member referrals and valuable discounts on business insurance, health insurance, advertising and employee screening.



### **The Hanover Center for Workforce Excellence**

[www.hanoverchamber.com](http://www.hanoverchamber.com)

HCWE was established through the Chamber's Workforce Development Committee in 2008 to address training opportunities and skill enhancement of the local workforce. Through HCWE, businesses can discover how localized training can save you time and resources.

### **SCORE**

[www.yorkscore.org](http://www.yorkscore.org)

SCORE is a premier source of free and confidential small business advice for entrepreneurs available in Hanover. SCORE considers itself the "Counselors to America's Small Business" and additionally provides training to small businesses. Not only is SCORE a resource partner with the U.S. Small Business Administration, but it is also a 501 c(3) nonprofit organization dedicated to the formation, growth and success of small businesses nationwide.



### **York County Economic Alliance**

[www.ycea-pa.org](http://www.ycea-pa.org)

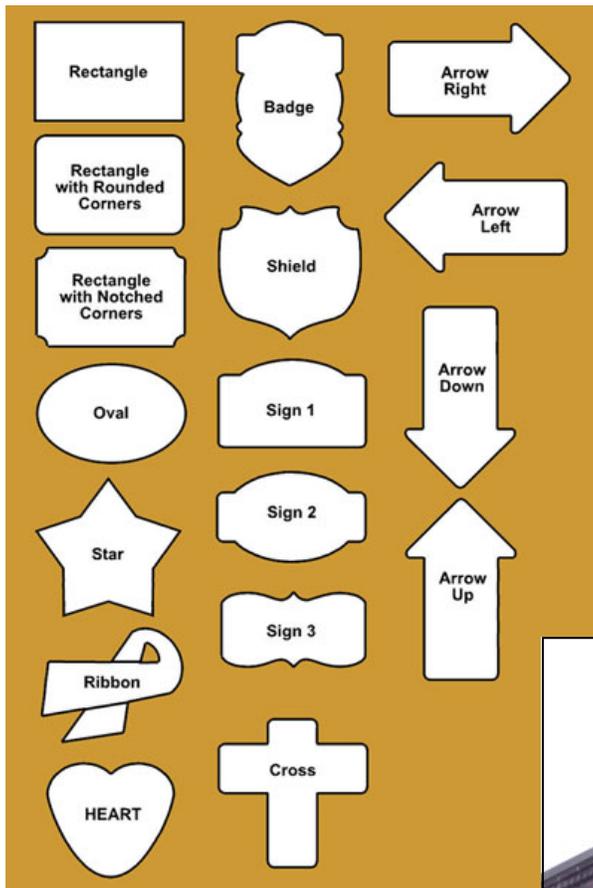
The York County Economic Alliance works with businesses to facilitate economic expansion, retention and attraction through a variety of programs and services. Its goal is provide companies with all the information and resources necessary to ensure the long term growth and success of their business in York County. Offices in York and Hanover.



## Choosing your Signage

Signs are a basic element of a commercial area and are a necessity for communicating the availability of goods and services within a defined area. Not only do they attract customers, but they identify the location. Signs affect the image of an entire district so it's important that signs be well designed to avoid visual competition and also be compatible with the architectural character of the surrounding community within the District and otherwise add to the attractiveness of the entire streetscape.

All signs must meet Borough sign zoning requirements and will require a building permit as outlined in the Hanover Borough Zoning Ordinance. Contact the Borough Office for more information, 717-637-3877. [Click here to download the sign application.](#)



### Basic Sign Types:

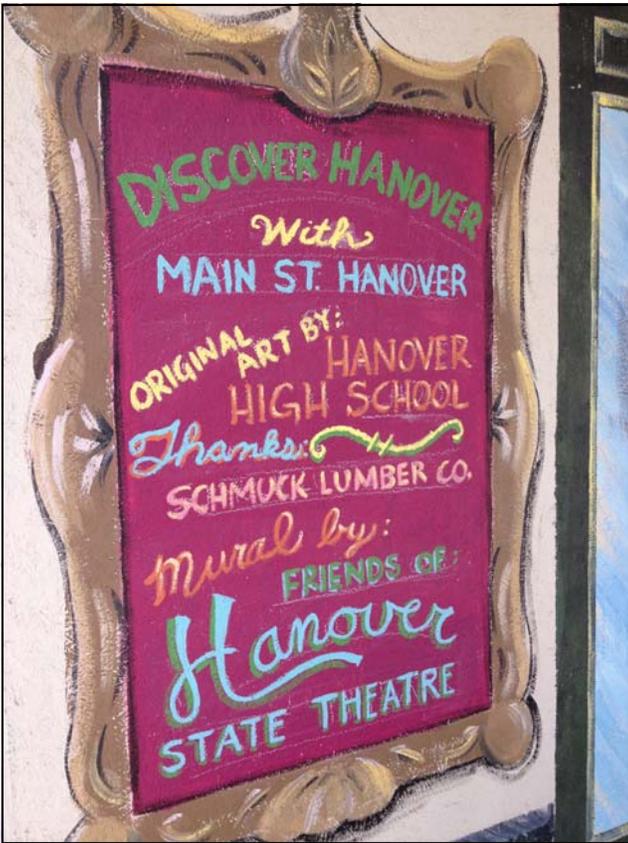
- Wall-Mounted Sign
- Projecting Sign
- Free-Standing or Monument Sign
- Wall Murals
- Directory Sign
- Awnings
- Window Sign
- Temporary Sign



Wall-Mounted Sign and Awnings

## Colors and Fonts

Color is an important factor in conveying a message about your business. If you already have an established logo, work within the existing colors to maintain a visual consistency throughout the company's identity.



Wall Mural

Colors should always coordinate with overall building colors and be selected to communicate a message, as well as integrating the sign into the context of the building.

For signs that are to be viewed at a distance, sans serif is often the best font style selection. The most popular fonts are Futura and Helvetica which both adapt to a wide range of colors. Garamond, although it is a serif font, is also a popular choice for signs viewed from a distance. It works with many colors and provides a more “traditional” alternative to the contemporary letter styles of either Helvetica or Futura.

### Need Additional Help?

If you are considering a new sign or awning for a building within the Hanover Central Business District and need additional information regarding design and current ordinances, visit the Borough Office at:



44 Frederick Street  
Hanover, PA 17331



Typical Projecting Sign

## Funding and Incentives

Funding your business adequately is critical to developing a successful enterprise. A leading cause of small business failure is inadequate startup capital. Before you begin your new venture, it is important to realistically project not only your startup costs for such things as equipment, renovations and promotion, but also your cash flow requirements for the early-stages of operation. Visit [www.newpa.com](http://www.newpa.com) for additional information

Several agencies and programs are available to assist you in identifying loans and other financial products to start and grow your business.

[Hanover Area Chamber of Commerce](#)

[York County Economic Alliance](#)

[Community First Fund](#)

[Small Business Development Center](#)

### SBA 504 Program [www.ycea-pa.org](http://www.ycea-pa.org)

The SBA 504 Program offers small business loans to provide growing businesses with long-term fixed-rate financing for major fixed assets, such as land, building and equipment. Available to most for-profit businesses for qualified projects that result in the creation or retention of jobs. This program is administered through the EDC Finance Corporation.



### Downtown Improvement Program [www.hanoverchamber.com](http://www.hanoverchamber.com)

The façade grant program compliments Main Streets low interest loan program for property owners interested in painting, masonry work, replacement of doors, windows and signage. Property owners meeting the grant criteria can obtain a \$5,000 grant per property to help off-set expenses providing an incentive to invest in improvements to their property. (See page 6)

## Simple Steps to Starting Your Own Business

“The best business learning opportunity in York County”

### *Presented by SCORE*

If you're wondering if your business idea (or growth plan) is realistic, then Simple Steps is for you.

- Learn from local experts with vital knowledge and entrepreneurial experience
- Participate in individual and small group activities
- Take advantage of confidential counseling to help evaluate your readiness and your business model
- Receive a guided tour of business concepts
- Create a foundation for a business plan
- Receive answers from business experts every step of the way
- Receive a certificate for completing homework and attending all five Simple Step sessions

All workshops are Thursdays 6 p.m. to 9 p.m. — This series is held 4 times per year

Class size is limited to 25 participants, on a first come basis. For class schedules and locations, visit [www.york.score.org](http://www.york.score.org). Business counseling is available in Hanover on a one on one basis.

## Networking Opportunities



The Hanover Area Young Professionals (HAYP) was started by a group of emerging young professionals for the purpose of creating an organization that met the real needs of younger generations in the world.

Its mission is to provide emerging professionals with the knowledge, opportunities, and connections to elevate their careers with the goal of encouraging both the growth and retention of their talents to be utilized within the Hanover Community.

## Establishing a Business

### Is the Name Available?

Check the Pennsylvania Department of State database of Pennsylvania businesses to see if the business name you wish to use is available. You can search that database to see if other businesses already have registered the name you want to use at [www.corporations.state.pa.us/corp/](http://www.corporations.state.pa.us/corp/)

### Determining a Fictitious Name

Any individual, sole proprietorship, partnership, corporation or other form of association conducting business under a fictitious business name must register this name with the Pennsylvania Department of State.

For more information, see A Guide to Business Registration in Pennsylvania at [www.dos.state.pa.us/corps](http://www.dos.state.pa.us/corps)

### Penalties for Not Registering

The penalty for failing to file a fictitious name registration is that the unregistered entity may not use the courts of Pennsylvania to enforce a contract which it entered into using the fictitious name. The failure to register the fictitious name does not void the contract, but merely prevents such enforcement until registration. The entity shall pay to the Department of State a civil penalty of \$500 in these instances where the entity seeks to enforce the contract and subsequently registers the fictitious name in an untimely manner. [www.newpa.com](http://www.newpa.com)

### Trademark Protection

Registering a name and checking the Pennsylvania database does not give you federal trademark protection nor mean that others are not using your name in other states. If you desire to trademark your name or other applicable marks, you must apply to the United States Patent and Trademark Office at [www.uspto.gov](http://www.uspto.gov)



#### *Fun Fact About Hanover*

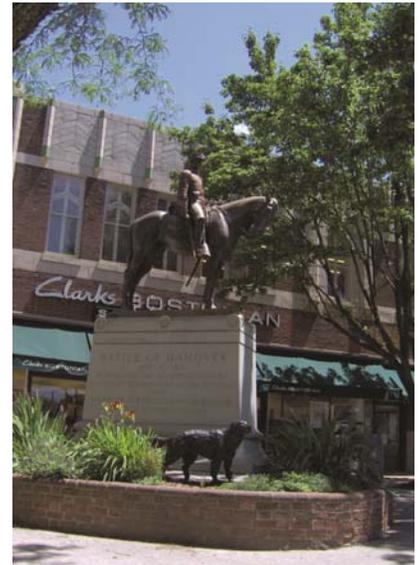
*As of 2012, Hanover's population is 15,289 people.  
Since 2000, it has had a population growth of 6.05 percent.*

## ***Establishing a Business Continued...***

As an entrepreneur, your skills and abilities will be tested as you take on managerial responsibilities. Although you can hire skilled employees, engage qualified consultants and develop a corporate advisory board, the ultimate responsibility for decision-making and determining the strengths and weaknesses of your business rests with you. The managerial responsibilities of entrepreneurship include financial planning, personnel, marketing and production skills.

### **Checklist for Legally Establishing a Business in Pennsylvania**

*The following checklist outlines the steps to legally establishing a business in Pennsylvania.*



#### **Business Name**

- ◇ Determine a name for your business that is not already in use. *(See page 16)*
- ◇ Determine whether your name is considered a fictitious name and if you need to file a PA fictitious name statement.
- ◇ Register fictitious name, if applicable.
- ◇ Advertise the name in a newspaper of general circulation

#### **Business Structure**

Determine under what business structure you will operate your business. The most common choices are: *(see pages 18-19 for more information)*

Sole Proprietorship	General Partnership
Limited Partnership (LP)	Limited Liability Partnership (LLP)
Limited Liability Company (LLC)	Corporation, including S Corporation

#### **Laws, Licenses and Regulations**

Check with the local municipality (city, borough or township) concerning taxes, zoning requirements, any required local licenses and permits and any other regulations and requirements.

#### **Taxes, Employer Obligations, EIN and Bank Account**

- ◇ Determine what local, state and federal taxes your business needs to pay, register for or collect, such as sales tax.
- ◇ If your business will employ one or more people, complete local, state and federal employer obligations, including employment taxes, withholdings and contributions, such as unemployment compensation and social security.
- ◇ Obtain Employer Identification Number (EIN).
- ◇ Open a bank account for your business.

## Business Structure Decision

### Sole Proprietorship

Most small businesses operate as sole proprietorships. This is the simplest form of organization and allows the single owner to have sole control and responsibility. Some advantages of the sole proprietorship are less paperwork, a minimum of legal restrictions, owner retention of all the profits and ease in discontinuing the business. Disadvantages include unlimited personal liability for all debts and liabilities of the business, limited ability to raise capital and termination of the business upon the owner's death.

You should note that a small business owner might very well select the sole proprietorship to begin. Later, if the owner succeeds and feels the need, he or she may decide to form a partnership or corporation.

### Limited Liability Company

The limited liability company (LLC) is a hybrid between a partnership and a corporation, providing the liability protection of a corporation with the advantage of being treated as a partnership. A Certificate of Organization is required to be filed with the Bureau of Corporations and Charitable Organizations, Pennsylvania Department of State, accompanied by a docketing statement.

### General Partnership

A partnership is similar to a sole proprietorship except that two or more people are involved. Advantages are that it is easy to establish, it can draw upon the financial and managerial strength of all the partners and its profits are not directly taxed. Some disadvantages are unlimited personal liability for the firm's debts and liabilities, termination of the business with the death of a partner and the fact that any one of the partners can commit the firm to obligations.

The partnership is formed by an agreement entered into by each partner. This agreement may be informal, but it is advisable to have a written agreement drawn up between all parties. While no filing with the commonwealth is required to form a general partnership, it may nevertheless be required to file a fictitious name registration.

### Limited Partnership

A limited partnership (LP) is a partnership formed by two or more persons having one or more general partners and one or more limited partners. The limited partners have limited exposure to liability and are not involved in the day-to-day operations of the partnership. A Pennsylvania limited partnership is formed by filing a Certificate of Limited Partnership with the Bureau of Corporations and Charitable Organizations, Pennsylvania Department of State.

Like with a general partnership, a written agreement should be drawn up between all parties. The agreement does not need to be filed. When applying for funding, lenders may request a copy of your partnership agreement.

## *Business Structure Decision Continued...*

### **Limited Liability Partnership**

A limited liability partnership (LLP) is an existing partnership that files an election with the Bureau of Corporations and Charitable Organizations, Pennsylvania Department of State, claiming limited liability partnership status. The effect of becoming an LLP is to provide general partners with additional protection from liability.

Like with a general partnership, a written agreement should be drawn up between all parties. The agreement does not need to be filed. When applying for funding, lenders may request a copy of your partnership agreement.

### **Corporation**

A corporation is the most complex form of business organization. Advantages of a corporation are that liability is limited to the amount owners have paid in to their share of stock, and the corporation's continuity is unaffected by the death or transfer of shares by any of the owners. Some disadvantages are extensive record-keeping, close regulation and double taxation (taxes on profits and taxes on dividends paid to owners).

To form a corporation in Pennsylvania, you must file Articles of Incorporation with the Bureau of Corporations and Charitable Organizations, Pennsylvania Department of State, accompanied by a docketing statement.

Foreign (out of state) corporations must submit an application for a Certificate of Authority, accompanied by a docketing statement to conduct business in Pennsylvania.

### **Pennsylvania S Corporation**

Closely held corporations may elect to be taxed as federal or state S corporations, which permit shareholders to pay taxes on corporate net income personally, as if it were a partnership.

Thus, a corporation must be created first as discussed above. Only after a corporation is created can S corporation status be sought. S corporation status is limited to corporations that have no more than 75 shareholders. Also, a Pennsylvania corporation cannot elect to be an S corporation unless it has also applied for federal S status.

Accordingly, the first step to becoming a Pennsylvania S corporation is to seek federal S status by filing IRS Form 2553, Election by a Small Business Corporation, with the Internal Revenue Service (IRS). Several requirements must be met before you can obtain federal S corporation status. For more information on Pennsylvania S corporations, contact the Pennsylvania Department of Revenue or visit its website at [www.revenue.state.pa.us](http://www.revenue.state.pa.us).

The Hanover Area is renowned for the number and variety of its successful businesses. The success of those enterprises derives in great measure from the leadership of innovative owners, managers and founders whose vision and management keep their companies viable in an increasingly competitive marketplace.



## Entrepreneurial Skills Assessment

Take some time and honestly evaluate yourself by placing a check next to the traits you are confident you possess:

- Problem-solving: explores innovative ways to respond to opportunities
- Goal-oriented: envisions a desired outcome, as well as plans and implements the activities required to achieve it
- Self-confidence: believes in own ideas and abilities and conveys that belief to others
- Risk-taking: abandons status quo, explores options and pursues opportunities
- Decision-making: makes prudent choices even in a stressful environment
- Organization: keeps track of deadlines, critical paperwork, correspondence and tasks to be completed, as well as those already done
- Persistence: tenaciously pursues goals regardless of the energy and commitment required
- Communication: speaks, listens and writes effectively
- Interpersonal skills: inspires, motivates and understands the wants and needs of others
- Leadership: directs others effectively and empowers their performance

### *Fun Fact About Hanover*

*The bowling scene in the movie *Girl, Interrupted* was filmed in the basement of the Shepard Mansion. The mansion and its twin, Myers Mansion, across town both still have bowling alleys in their basements.*



## Taxes

Check with federal, state and local government (city, borough, township and/or school district) agencies concerning their tax laws, including sales, employment, social security and other taxes and contributions.

For local taxes, visit the Pennsylvania Department of Community and Economic Development (DCED) at [www.newpa.com](http://www.newpa.com)

For state taxes, visit the Pennsylvania Department of Revenue's website at [www.revenue.state.pa.us](http://www.revenue.state.pa.us).

For federal taxes, visit the Small Business Corner at the Internal Revenue Service (IRS) website at [www.irs.gov/businesses/small](http://www.irs.gov/businesses/small).

## EIN (Employer Identification Number)

Every employer subject to employment taxes is required to have a federal Employer Identification Number (EIN) to identify his or her business with the Internal Revenue Service and the Social Security Administration. Some businesses, such as corporations, partnerships and enterprises that have a qualified retirement plan (such as Keogh) or pay federal excise tax, are required to have an EIN even if they do not have any employees.

If a business does not have employees, a qualified retirement plan or pay federal excise tax, the business may be required to have an EIN by banks or other entities with whom they are doing business. For example, to open a business bank account, most, if not all, banks will require that the business has an EIN.

An EIN can be obtained in a few minutes by registering by telephone or online:

- ◇ Under the Tele-TIN program, an authorized officer or business owner can obtain an EIN by applying over the telephone by calling the IRS Business and Specialty Taxes Hotline at 1.800.829.4933.
- ◇ An authorized officer or business owner can obtain an EIN by applying over the internet at [www.irs.gov](http://www.irs.gov).

For further information on the EIN, contact the Internal Revenue Service at 1.800.TAX.1040.

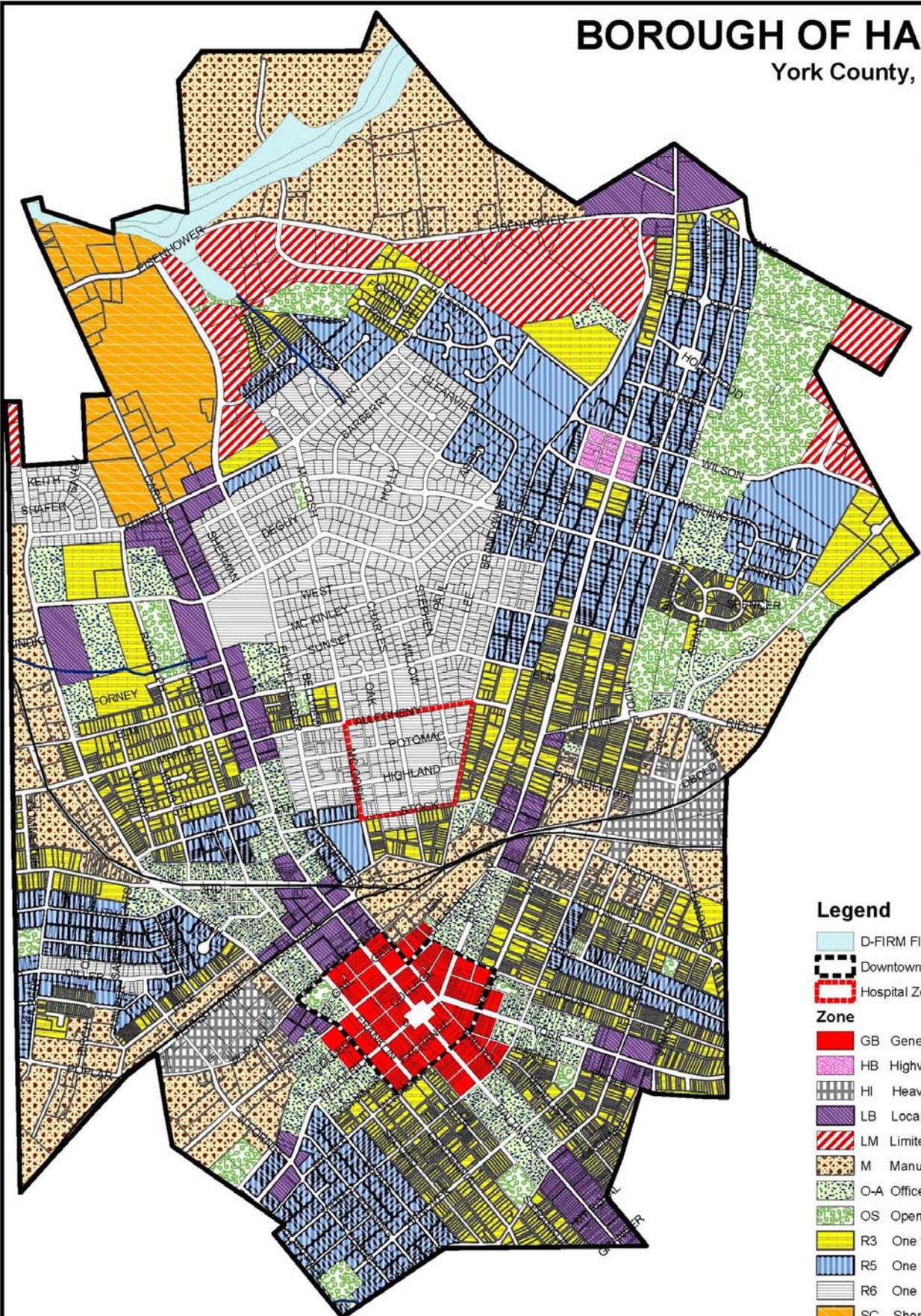


### *Fun Fact About Hanover*

*Thomas Jefferson spent the night of April 12, 1776 at the Sign of the Horse, an inn owned by Caspar Reinecker on Frederick Street. Records indicate that Jefferson paid "Rhenegher" 11 shillings, 6 pence for dinner and lodging.*

# BOROUGH OF HANOVER

York County, Pennsylvania



### Legend

- D-FIRM Floodplain
- Downtown Fire Zone
- Hospital Zone
- Zone**
- GB General Business
- HB Highway-Oriented Business
- HI Heavy Industry
- LB Local Business
- LM Limited Manufacturing
- M Manufacturing
- O-A Office and Apartment Use
- OS Open Space
- R3 One to Four Family Dwelling
- R5 One & Two Family Dwelling
- R6 One Family Dwelling
- SC Shopping Center

## OFFICIAL ZONING DISTRICT MAP

Revised: 5/12/2010



# Shop. Dine. Experience.

Main Street Hanover is working to expand the economic capacity of downtown Hanover, with the goals of improving the business environment, enhancing the quality of place, and increasing community synergy. We welcome you and your business, and look forward to a collaborative relationship full of success and growth.

For more information, stop by:  
146 Carlisle Street  
or contact us at 717-637-6130

**Partners:**

Hanover Borough  
Hanover Area Chamber of Commerce



@HanoverYorkCo



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An initiative of

YORK COUNTY  
**Economic Alliance**  
Together we prosper.