



How to Start a Business in Rehoboth Beach

*A Guide Developed by Rehoboth Beach Main Street (RBMS)
in Collaboration with the City of Rehoboth Beach*

1. Connect with RBMS to obtain How-To Guide and get assistance – call 302-227-2772, visit us at 509 Rehoboth Avenue, or e-mail our Executive Director Dan Slagle at dan@downtownrb.com
2. Do you have a Business Plan? – check out the Small Business Administration website. There is a step-by-step business guide and templates for creating a business plan. <https://www.sba.gov/business-guide>
3. Conduct Market Research and understand the Seasonal Nature of Rehoboth Beach
 - a. Sources of information from the Small Business Administration: <https://www.sba.gov/business-guide/plan-your-business/market-research-competitive-analysis#free-small-business-data-and-trends>
 - b. 2020 Rehoboth Beach Comprehensive Development Plan – see sections 3-31 and 5-16. <https://cityofrehoboth.civicweb.net/filepro/documents/12267/>
 - c. City of Rehoboth Beach Annual Budget – see section regarding community profile. <https://www.rehobothbeachde.gov/govt/city-financial-documents/>
4. Funding your Business
 - a. Determine how you will fund your business: <https://www.sba.gov/business-guide/plan-your-business/fund-your-business>
 - b. SBA Guaranteed Loan Program: <https://www.sba.gov/funding-programs/loans>
 - c. Small Business Investment Companies: <https://www.sba.gov/partners/sbics>
5. Choose a legal structure and name
 - a. Legal Business Structures Table – See Attachment A¹
 - b. Choosing a Name – Register with Division of Corporations. Check name availability at <https://icis.corp.delaware.gov/Ecorp/NameReserv/NameReservation.aspx>
6. Obtain Employer Identification # if required -- All businesses (except sole proprietors with no employees) must register with the federal government and obtain an Employer Identification Number (EIN). Businesses can comply with federal requirements by contacting the [Employer ID Numbers](#) section of the [IRS website](#).
7. Register with appropriate office
 - a. Businesses with employees must additionally register with the [Delaware Division of Unemployment Insurance](#) and the [Delaware Office of Workers Compensation](#)

¹ Obtained from Delaware One Stop. Consult a qualified attorney, accountant, or other professional if you are not sure which structure to file. File with the Division of Corporations.



- b. Corporations, Partnerships, Limited Liability Companies, etc who conduct business in Delaware must additionally register with the [Delaware Division of Corporations](#).
 - c. Certain professions must additionally register and obtain a license with the Delaware Division of Professional Regulations. Please visit the [Division of Professional Regulations](#) for a list of applicable professions.
8. Obtain your Delaware Business License: [Delaware One Stop: Home](#)
9. Obtain additionally required licenses, certifications and registrations
 - a. [check the list of professions and industries](#) that the State of Delaware regulates
 - b. [Consult the list of federally regulated industries](#) and contact the appropriate federal agencies
10. Obtain Business Insurance: <https://www.sba.gov/business-guide/launch-your-business/get-business-insurance>
11. Do you need a Liquor License?
 - a. Office of the Delaware Alcoholic Beverage Control Commissioner (OABCC) -- <https://oabcc.delaware.gov/forms/>
 - b. Creating an online account via the portal is the preferred method for submitting a liquor license application: <https://de-dshs.my.site.com/OABCC/login>
 - c. Once an application is submitted online, a member of the OABCC team will contact you by email to explain the process and the documents required.
 - d. You can also submit an application by email, but the portal is the preferred method.
12. Obtain your City Business License: [Business & Other Licenses - - DE | Official Website](#)
 - a. Complete the Appropriate Form
 - i. in-town business serving alcohol (attach)
 - ii. in-town business not serving alcohol (attach)
 - iii. out of town business (attach)
 - b. Include Any Additional Required Documents
 - i. a copy of their current State of Delaware business license
 - ii. a certificate of liability insurance listing the City of Rehoboth Beach as a certificate holder
 - iii. a copy of any professional trade license that is required by the State of Delaware.
 - iv. Businesses located within the city limits must complete an [emergency notification form](#).
 - v. Real estate agents and brokers must provide a copy of their State of Delaware real estate license.
 - vi. Businesses within the city limits that manufacture or sell alcohol must provide a copy of their State of Delaware liquor license. A certificate of compliance may also be required.
 - c. Submit Your Application and Supporting Documentation
 - i. email: buildingandlicensing@rehobothbeachde.gov, or

- ii. US Postal Service or in person at:
City of Rehoboth Beach
229 Rehoboth Avenue
Rehoboth Beach, DE 19971
- d. Pay Your License Fee
 - i. Payment of the annual business license fee may be submitted via check made payable to: City of Rehoboth Beach.
 - ii. Checks may be mailed to:
City of Rehoboth Beach
229 Rehoboth Avenue
Rehoboth Beach, DE 19971
 - iii. Credit card payments are accepted in the building and licensing department, on the second floor of City Hall, from 9 am-4 pm weekdays; a 2.5% convenience fee is added for credit card payments.

13. Site Selection

- a. Determine your requirements
- b. Look for vacant property – Sussex County Office of Economic Development:
<https://excitesussex.com/property-search-and-analysis/>

14. New Businesses Occupancy/Tenancy Approval Process: Prepared by the Building & Licensing Department, City of Rehoboth Beach

- ☐ Application for occupancy shall be submitted to the State Of Delaware Fire Marshal's office at **Tenant Fit Out, Renovation, Occupancy Change Application** prior to applying to the City of Rehoboth for tenancy, permitting, or license.
- ☐ Any business handling food/drinks must apply to the State of Delaware Department of Health prior to applying to the City of Rehoboth for tenancy, permitting, or license. [Licenses and Permits - Delaware Health and Social Services - State of Delaware](#)
- ☐ Any business which is licensed by [the State Of Delaware Professional Services Office](#) must receive this licensing **at the new location in Rehoboth** prior to applying to the City of Rehoboth for tenancy, permitting, or license.
- ☐ Once written responses regarding occupancy are received from the above State Of Delaware offices, the applicant shall include these with the [Commercial License Application to the City Of Rehoboth Beach](#). **Please include a copy of your lease signed by the property owner with your application(s).**
- ☐ After the above steps have been completed, tenant/business must set up an occupancy inspection of the interior with the City of Rehoboth building inspector for approval. A business license with the City can be applied for after final occupancy approval by this office.



- ☐ Renovations/remodels/repairs to the space will require a building and/or plumbing permit application. Applicant shall receive an issued permit prior to starting any work and receive a final building inspection to serve as the final occupancy inspection.
- ☐ Every sign a business will use will require a sign permit. See page two (2) of our Permit Application Required Documents Checklist for permit application requirements.

15. Rehoboth Beach Main Street Sign & Awning Matching Grant Program Guidelines

If you are a member of Rehoboth Beach Main Street, a business owner or landlord within the City of Rehoboth Beach, you are eligible to apply for a Sign and Awning Grant. The purpose of the grant is to encourage a business to design a sign consistent with the character of Rehoboth Beach and to offset the cost of the signage.

RBMS has created a fund to offset some of the cost associated with business signage. The matching grant is up to 50% of the cost or up to \$500 for a sign or awning for your building. Application can be made once every 5 years.

RBMS matching grant requirements and guidelines are designed to offer visual unity and enhance the look of our downtown.

“Paid” invoice to sign company must be provided along with grant request.

Sign Requirements & Guidelines:

Grants can be applied for new signs, repair or replacement. Temporary vinyl signs are not included.

A new sign that meets the RBMS design guidelines for the RBMS matching grant program includes things such as:

- Signs shall reflect simplicity, using graphics and minimum information
- Subtle colors that reflect the business
- Raised lettering or lighting
- Signs made of plastic may not meet the requirements

Awning Requirements & Guidelines:

New awnings or the repair, replacement, or removal of old awnings

- Should complement the style and design of the commercial building
- Should be of a size, scale, and shape appropriate to the specific building, window and door trim
- Awnings should add color and variety to the street
- Plastic is discouraged as an awning material

Sign and Awning Requirements:

View the city’s code to learn requirements. Project must be in compliance with [City of Rehoboth Beach Chapter 270, Zoning Article VII. Signs.](#)



Approved applicants must agree to have a sign posted during the project indicating that the project is funded in part by Rehoboth Beach Main Street, Inc. (RBMS) Matching Grant Program. RBMS will provide the sign.

Grant funds are “first-come, first-served” basis, based on funds available in the RBMS Sign & Awning Matching Grant Program account.

Property must be located within RBMS geographic boundaries (the City of Rehoboth Beach proper).

16. Rules and regulations for building and operation – City Code can be found at <https://ecode360.com/RE0659?needHash=true>
17. Support Services: Check the Chamber of Commerce services listing for help with resources such as equipment leasing, contractors, accounting, legal, labor and others. <https://www.beach-fun.com/services.html>
18. Additional Resources:
 - a. www.Delawaresbdc.org – Small Business Development Center – training and assistance for small businesses
 - b. [Delaware One Stop: Opening a Business in Delaware](#)
 - What can you do on Delaware One Stop?
 - Register, renew or manage a business license with the Division of Revenue
 - Report hiring, determine employer liability with the Division of Unemployment Insurance and provide proof of insurance to the Office of Workers' Compensation
 - Open a new location or license with the Division of Revenue
 - Register a Withholding Account with the Division of Revenue
 - Create certain business entity formation or registration documents for submission to the Division of Corporations
 - Close a business license with the Division of Revenue
 - Procure a Contractor Registration Certificate
 - Manage your Delaware Trade Name with the Division of Revenue
 - File an application on behalf of the Craft Training and Apprenticeship Fund
 - Save your progress
 - View your account dashboard
 - Industry specific business templates – See Attachment B
 - c. Division of Small Business – State of Delaware: <https://business.delaware.gov/>

ATTACHMENT A

Legal Business Structures Table¹

TYPE	OWNERSHIP	CONTROL	LIABILITY	TAXATION	FILING FEE
Sole Proprietorship	Individual	Controlled by Owner	Owner is personally liable for all business debts	All business income is considered personal income to the owner and is taxed at personal income tax rates	None
General Partnership 6 Del.C., §15-101	Two or more individuals or other entities according to partnership agreement	Controlled by the partners in accordance with partnership agreement	All partners are jointly and severally liable for all partnership debts	Individual partners' prorated share of partnership income or loss is included on the respective income tax return of the partner and taxed at personal or corporate rates	\$300.00 Payable to the Secretary of State 6 Del.C., §15-1208
Limited Partnership 6 Del.C., §17-101	Two or more owners; two classes of owners; general partners and limited partners	General partner(s) may dissolve at their discretion, limited partners do not have this option. General partners generally run business, as specified in partnership agreement	General partner(s) are fully liable for all business debts, limited partners only liable to extent of capital invested	Same as general partnership	\$300.00 Payable to Secretary of State 6 Del.C., §17-1109
"C" Corporation 8 Del.C.	Shareholders (Unlimited number)	Owners share ownership through stock, and business is managed through a Board of Directors; certain legal regulations also apply	Owner's liability is limited to amount of capital contributed unless acting as guarantor of corporate debt	Corporation pays tax on business income at corporate tax rate; profits distributed to shareholders and are taxed at personal income tax rate	8 Del.C. §391 Based on the number of authorized shares or assumed no-par capital payable to Secretary of State
Subchapter "S" Corporation 8 Del.C.	Shareholders	Same as "C" Corporation Above	Same as "C" Corporation above; generally limited to assets in corporation	Corporation not taxed; income is taxable to the shareholders at their personal income tax rate	8 Del.C. §391 Based on the number of authorized shares or assumed no-par capital payable to Secretary of State
Limited Liability Company 6 Del.C., §18-101	One or more members	Controlled by members or managers, as set out in operating agreement	Generally, same as "C" Corporation above	Taxed as partnership, corporation or may be disregarded depending on election made. See "Check the Box" regulations	\$300.00 Payable to Secretary of State 6 Del.C., §18-1107
Limited Liability Partnership 6 Del.C., §17-214	Two or more owners; limited partners	Controlled by partners in accordance with partnership agreement	Limited and General partners only liable to extent of capital invested	Same as general partnership	\$200.00 per partner not to exceed \$120,000.00 Payable to Secretary of State 6 Del.C., §15-1207

¹ Obtained from Delaware One Stop. Consult a qualified attorney, accountant, or other professional if you are not sure which structure to file. File with the Division of Corporations.



Business Template for Food Establishments

Applies to restaurants

Prepared by:

One Stop, Department of State

State of Delaware

Last Updated: 14 July 2026

ATTACHMENT B

Contents

<u>1.</u>	<u>Prepare</u>	9
<u>2.</u>	<u>Register & License</u>	10
<u>3.</u>	<u>Food Establishment Requirements</u>	11
<u>3.1</u>	<u>Food Establishment Permit from Division of Public Health</u>	11
<u>3.1.1</u>	<u>Plumbing Permit from Division of Public Health</u>	12
<u>3.2</u>	<u>Office of the Fire Marshal requirements</u>	12
<u>3.3</u>	<u>Office of the Delaware Alcoholic Beverage Control Commissioner Requirements</u>	13
<u>3.4</u>	<u>Permit requirements of local jurisdictions</u>	13
<u>4.</u>	<u>Operational Considerations</u>	13
<u>4.1</u>	<u>Permit Displays</u>	13
<u>4.2</u>	<u>Equipment & Infrastructure</u>	13
<u>4.3</u>	<u>Suppliers & Inventory</u>	14
<u>4.4</u>	<u>Staff Hiring and Training</u>	14
<u>5.</u>	<u>Other Licenses & Compliance</u>	15
<u>6.</u>	<u>Grow & Sustain</u>	16
<u>7.</u>	<u>Costs to consider</u>	16



ATTACHMENT B

Disclaimer: The following is a non-exhaustive list of considerations when setting up or operating a food establishment such as a restaurant. Please contact the appropriate agencies, departments, or divisions for any additional or changed requirements.

Also note that your city, county, or municipality may have additional requirements. Please contact your local jurisdiction for details.

Prepare

Review this template in its entirety. Understand what's needed before you invest anything.

- **Division of Small Business (DSB)**

Reach out to the [Division of Small Business](#) to understand what resources are available to you when you start out.

- **Division of Public Health (DPH)**

Check out the Division of Public Health site to learn about the permitting procedure and understand requirements **before** starting any construction or making adjustments to the food establishment:

- Go over the definition of [food establishments](#). Check out the links in the **Plan Review Packets** section of the page, as requirements will vary depending on the type of food establishment.
- Check Food Code – Check out the [Food Code section](#) of the DHSS regulations page.
- Review the [Office of Food Protection FAQs](#) to acquaint yourself with the process.
- Review the [Food Establishment Inspections And Reports FAQs](#) to learn what permits may be required.
- Contact 302-744-4546 to learn about the permitting procedure and understand requirements before construction or adjustments to the food establishment.

- **Office of the State Fire Marshal (OFM)**



ATTACHMENT B

Check with the [Office of the State Fire Marshal](#) (OFM) for any permitting requirements. *It is strongly recommended that you schedule a meeting/call with the State Fire Marshal office before you sign a lease or purchase a property.*

- **Department of Labor (DOL)**

Check out Department of Labor requirements if you plan to hire employees.

- **Office of the Delaware Alcoholic Beverage Control Commissioner (OABCC)**

If you plan to serve alcohol on your premises, check out the requirements on the [Office of the Delaware Alcoholic Beverage Control Commissioner](#) site, including the FAQs page.

- **Local jurisdictions**

Check zoning permits – Check with your city/town/county building and zoning commission to check if the location's zoning allows restaurants to be operated. If the restaurant is in a historic district, check the city's historic district zoning codes for any additional restrictions.

- Define your concept & business plan – menu style, target customers, location strategy, startup budget.
- Estimate startup costs (renovations, equipment, staffing, licensing fees) and secure financing or small business loans.

Register & License

- **Decide on a name for your business.** Check on the [Division of Corporations](#) website for name availability.
- **Choose your business structure** – Determine your what type of business entity you'd like to be (for example, LLC, Corporation, Sole Proprietor, or other). If required, consult an attorney or a qualified professional to select the right structure for your business.
- **[Form a business entity.](#)** You will then need to send the legal entity formation form to the Delaware Division of Corporations to have your legal entity setup and registered with the State of Delaware.

ATTACHMENT B

- **Obtain your FEIN** (Federal Employer Identification Number) from [IRS](#). Note that this may not be required, depending on your business structure.
- **Obtain a Delaware General Business License** issued by Division of Revenue [from the OneStop website](#).
- **Setup yourself as an employer** – If you have employees or plan to have them, register with Department of Labor from the OneStop website to [report hiring of employees](#) for unemployment insurance, workers' compensation, and set up a [withholding account for employee taxes](#).

Food Establishment Requirements

You can start the permitting process with Division of Public Health (DPH) and Office of the Fire Marshal (OFM) at around the same time. If you need a liquor license, you can start the process with Office of the Delaware Alcoholic Beverage Control Commissioner (OABCC) soon after you start the permitting process with DPH.

Food Establishment Permit from Division of Public Health

You will need to get the Food Establishment Permit through the [Division of Public Health](#) (DPH).

- Submit a [Food Establishment Plan Review and Permit application](#) to the Office of Food Protection (OFP) before any construction or equipment installation begins.
- OFP may respond with Request for Information (RFI) if anything is missing in your application. Once you've responded to the RFI, and OFP is satisfied with the answers, it provides the Approval to Construct (ATC).
- OFP shares your approved plans with the Environmental Health Field Services (EHFS) county office where your food establishment will be located.
- Once OFP provides the ATC, you can begin construction on your facility.
- After your construction is complete, you can contact your county's EHFS office to schedule a final inspection.
- Prepare for a Food Establishment Inspection: A DPH representative will visit your facility for the final inspection. Inspection duration may vary.

ATTACHMENT B

- The DPH representative will check that your food establishment adheres to the plan submitted.
- The DPH representative will create a Food Establishment Inspection Report.
- If the food establishment passes inspection, you will receive a Food Establishment Permit.
- Post the permit in a location conspicuous to the consumers.

Plumbing Permit from Division of Public Health

- **Contract with a licensed plumber to get a plumbing permit** – Review DHSS Food Establishment [Plumbing Permit Requirements](#).
 - Ensure that the contractor secures a [plumbing permit](#) at least 24 hours before work starts. This is required for fixtures such as grease traps, ice makers, utility sinks, bar sinks, dishwasher, hand sinks etc.

Office of the Fire Marshal requirements

- Contact your [jurisdiction's Fire Marshal office](#) for jurisdiction specific requirements for a pre-plan review meeting. If your city is not listed in the jurisdiction list, contact the [State Fire Marshal office in your county](#).
- Start the plan review and licensing process with the State Fire Marshal office.
 - If you are building a new restaurant, submit a [Site Plan](#) and [Building Plan](#). The Fire Marshal's office may give you a Footer and Foundation permit to start construction.
 - If you plan to use a property that was already a restaurant, submit a [Building Plan](#).
 - If you plan to serve 50 or more customers, get a [Place of Assembly](#) license.
 - Depending on what cooking appliances your restaurant has, the vendors of the following equipment may also need to get their permits:
 - Commercial hood,
 - Commercial hood suppression system,

ATTACHMENT B

- Sprinkler system – required if there are 50 or more customers, you may also need to install a sprinkler system if the facility was previously not setup as a restaurant or is a new restaurant being constructed.
- Fire alarm system.
- A plan review may take between 15-30 business days for an existing restaurant. Depending on the complexity of your application, it may take longer.

Office of the Delaware Alcoholic Beverage Control Commissioner Requirements

If serving alcohol, you must first obtain a liquor license from [Office of the Delaware Alcoholic Beverage Control Commissioner](#) (OABCC).

- Create an online account and submit an application: <https://de-dshs.my.site.com/OABCC/login>.
- Click sign up to create the online account to get started.
- Once an application is submitted online, a member of the OABCC team will contact you by email to explain the process and the documents required.
- For more information about applying for a liquor license, please review the OABCC's FAQs page, <https://oabcc.delaware.gov/faq/>.

Permit requirements of local jurisdictions

Check with your local city and jurisdictions if there are any other licensing requirements.

Operational Considerations

Permit Displays

Display all permits conspicuously on your premises.

Equipment & Infrastructure

- Buy or lease equipment such as freezers, refrigeration, soft-serve machines, display cases, sinks (if required), power sources (generator or grid), and storage.

ATTACHMENT B

- Ensure your design meets health code requirements for layout, handwashing, waste disposal, and servicing area.

Suppliers & Inventory

- Establish relationships with wholesale dessert mix suppliers, dairy providers, or frozen novelty distributors.
- Plan for inventory management: how much you'll need per day, how to transport product to the stand, and where to store backstock.

Staff Hiring and Training

- Hire staff if needed. Complete federal I-9 forms for each employee hired.
- Be aware of and follow State and Federal labor laws, including minimum wage, working hours, payroll withholding etc.
 - [DE Department of Labor FAQs](#)
 - [DE Department of Labor UI Employers' Handbook](#)
 - [US Department Labor Summary of major laws](#)
- Training
 - [Delaware Restaurant Association](#) – Consider joining for advocacy, training, and networking.
 - Get a [Food Protection Manager/Handler Certificate](#). At least one trained and certified manager/handler is needed onsite.
 - Programs such as ServSafe can be completed through certified training providers.
 - Provide food handler cards to employees as needed.
 - Provide training to employees regarding health and hygiene standards laid out by DHSS.
 - Develop protocols and ensure adherence to Health and safety standards, including proper handwashing, restrictions on bare-hand contact with food etc.
- **OSHA and Workplace guidelines**

ATTACHMENT B

- Develop employee safety protocols, and comply with [OSHA Guidelines](#) such as anti-violence and anti-harassment policies.
- Post [OSHA notices](#) as required by law.

Other Licenses & Compliance

- **Trash/Recycling** – Apply for local business trash/recycling pickup.
- **Music performance licenses** - If you use music (recorded or live), secure **ASCAP/BMI/SESAC** or performance licenses.
- **Outdoor dining city/sidewalk use permit** – complete City sidewalk/streetscape permit and insurance requirements if you plan for outdoor seating.
- **External Sign Permit** – Check with your city if this permit is required for installing a permanent exterior sign.
- **Tobacco/smoking signage** – Check tobacco/smoking signage & rules required by Delaware law, and post required signs.
- **Get required insurances** such as General liability, property insurance etc. Check for specific insurance related to food liability.
- **Follow food labeling/commercial packaging rules** if you sell packaged foods — check FDA/USDA guidance if applicable.
- **Acquaint yourself with ADA & Accessibility Compliance** – Ensure your restaurant is accessible.
- **Vendor Contracts** – Establish supply chain agreements (food distributors, local farms, delivery partners).
- **POS & Accounting Setup** – Track sales, tips, and tax obligations.
- **Provide notices to nearby businesses/residents** - Notify nearby businesses/residents [if required for alcohol licensing or other permits](#) (alcohol licensing and some public permits require public notices).
- **Continuous Compliance** – Renew licenses annually and maintain certifications.
 - Be prepared for regular inspections under the state’s food-establishment inspection program.

ATTACHMENT B

- Maintain good sanitary practices: correct storage, safe handling, proper water/ice/waste management, employee hygiene — all per the Food Code.
- Renew the permit annually (or as specified) and follow any reporting/follow-up procedures required by DPH after inspection or ownership change.

Grow & Sustain

- **Marketing Strategy** – Website, social media, local advertising, delivery apps.
- **Trademarks** – Protect restaurant name and logo.
- **Expand Services** – Catering, online ordering, loyalty programs.

Costs to consider

- **Permits and Licenses** – Fees vary for each of the licenses and permits you need, such as the general business license, the Food Establishment Permit, etc. Identify all the permits and licenses needed, as well as their associated fees.
- **Restaurant Rental or Purchase** – Estimate monthly rental fees for a rented premise or monthly mortgage for a purchased restaurant property.
- **Employee salaries, wages.**
- **Cost of equipment and goods**
- **Insurance** – Get quotes for necessary liability and equipment coverage.
- **Course fees** – Estimate the cost of Food Safety courses or other trainings for yourself or your employees.
- **Other misc. Costs** – For marketing, employee training, software etc.