



Construction Contractor Starter Guide

This guide tells you which forms you need to fill out, offices to visit, and decisions to make when starting a construction contracting business in Minneapolis.

For additional support, call 612-673-2499 or email smallbusiness@minneapolismn.gov



Create a Plan

- Are you ready to be an entrepreneur?** Planning, launching, and running a business is a lot of work. Ask yourself these 20 questions before starting the process. <https://goo.gl/4CmNrK>
- Connect with a small business consultant** at a service provider through the Minneapolis Business Technical Assistance Program (B-TAP) to access business training, support, and advice for opening your business. <http://www.minneapolismn.gov/business/B-TAP>



Building a relationship with a small business consultant can be a crucial step in your journey as an entrepreneur.

- Write a business plan** to map out your steps and ensure your business will start and run successfully. <http://www.bplans.com>



Starting a business can be expensive. You will need to have enough money to run your business for at least the first several months without relying on a profit. Using calculations from your business plan, determine how much capital you will need to start.

- Secure financing for your business** by connecting with a lender from a community bank, credit union, or Community Development Financial Institution.
- Determine if you qualify for any of the City's financing resources** offered through Community Planning and Economic Development (CPED). <https://goo.gl/e5yVLT>




Lenders will want to see that you have some initial capital invested in your business before underwriting a loan.



Register Your Business



If you want to work as an independent contractor, you do not need to follow all of these steps. See the steps to becoming a registered independent contractor: <http://www.dli.mn.gov/cclcd/register.asp>

- Verify the name you would like for your business is available.** You can use the Secretary of State Online Business Services page to check name availability. <https://goo.gl/3ttDys>
 - Choose a business structure.** Decide what type of business structure is right for your business. <https://goo.gl/hmwa6K>
 - Register your business with the MN Secretary of State.** LLCs, Corporations, Nonprofits, and Limited Partnerships must register with State of Minnesota. <https://goo.gl/C7rJW5>
 - File a Certificate of Assumed Name** if you will be using a name other than your given name, the names of your partners, or the officially registered name of your LLC or corporation. <https://goo.gl/6b8Mpe>
 - Apply for a MN Tax ID and a Federal Employer ID Number.** Both are used to identify your business. If you are a sole proprietor, you may be able to use your Social Security Number instead. <https://goo.gl/aHRucU>
 - Obtain all necessary insurance.** Your insurance company will need to fill out a Certificate of Insurance to prove that you have a current liability insurance policy. <https://goo.gl/3dPU8X>
-  If you hire employees you will also need workers' compensation insurance and unemployment insurance. <https://goo.gl/sVx3iw>



Get Prepared

- Acquire the right kinds of equipment.** Based on the services you plan to perform, determine what pieces of equipment and kinds of vehicles you will need to buy or rent.
- Determine what kind of space you need.** Will you be able to store all your equipment in your home garage, or will you need to rent additional storage space? Will you need any office space? Search properties for rent or sale here: <http://www.mncar.org/public-commercial-listing>



You will need to decide whether you will hire employees directly or hire independent contractors. If you hire employees, it changes the insurance you need and the kinds of taxes you have to pay. <https://goo.gl/XX3Zh2>

- Obtain surety bonds.** Surety bonds are a promise from a third-party company that if you do not fulfill your contract obligations, they will pay your client. Most public and many private construction contracts require surety bonds. You can obtain surety bonds by contacting a professional surety bond producer, or through the SBA, if you qualify. <https://www.sba.gov/surety-bonds>
- Pass the preclicensing exam.** Before you can apply for a Residential Building Contractor or Remodeler License with the State of Minnesota, you or a managing employee in your company must pass an exam. You must apply to take the exam and submit a \$50 exam fee. <http://www.dli.mn.gov/cclcd/rbcexam.asp>

To speak with a Development Review Coordinator or Business Licensing Representative, visit the Minneapolis Development Review Customer Service Center

Free Parking is available.

http://www.ci.minneapolis.mn.us/mdr/mdr_location-and-parking

Public Service Center Building, Room 300
250 S. 4th Street
Minneapolis, MN 55415

Mon - Wed, Friday | 8:00 AM - 3:00 PM
Thursday | 9:00 AM - 3:00 PM



Get Your License

- Determine what kind of license you need.** The Minnesota Department of Labor and Industry licenses residential building contractors, remodelers, roofers and manufactured home installers. <http://www.dli.mn.gov/ccl/RBC.asp>
- Gather all the necessary paperwork.** You will need the passing exam results from your pre-licensing exam, your Secretary of State business filing information, and a complete a criminal background check form.
- Complete and submit your license application.** You will also need to be prepared to pay the new license fee, which ranges from \$560 to \$760 depending on the amount of your gross receipts. <https://goo.gl/l6fll9>



If your business will be specializing in a specific trade, such as plumbing or HVAC, you will need to obtain a Certificate of Competency Card and trade license from from the City of Minneapolis.

- Check whether you need a Certificate of Competency** from the City of Minneapolis. <https://goo.gl/R2Hshx>
- Review the trade business licenses** required and issued by the City of Minneapolis for certain types of trades. <https://goo.gl/bFzr6h>



Pulling Permits

- Does your project need a permit from the City?** In general, any construction project requires a permit. <https://goo.gl/5RJfUd>
- Prepare a site plan.** This is a drawing of the property you are working on, showing the property lines and any structures currently on the land. Clearly indicate your proposed addition or alteration. <https://goo.gl/XibVgj>
- Visit Minneapolis Development Review** at 250 South 4th Street, Room 300. You will meet a Development Coordinator (DC) to go over the permits you need. Bring two sets of your site plan.
- Complete the plan review and pay the necessary fees.** Development Review staff will guide you through the process of the review. See the director's fee schedule for more information about fees. <https://goo.gl/k5on5x>



For permits that don't require plan or site reviews, you can apply and pay for permits online. <https://goo.gl/QQDuyQ>

- Post your permit.** Once City staff complete the review process, you will receive your permit and must post it at the project site.
- Schedule an inspection.** Once your work has been completed, contact your inspector to schedule an inspection. Your inspector's name and phone number are on the last page of your permit. You can also contact your inspector at any point in the project with questions. <https://goo.gl/eyzqto>



All work for which you have obtained a permit must be completed within one year from the date of the permit issuance.



After Opening

- Create a marketing plan.** Knowing who your customers are and creating a plan to market your services is crucial to sustaining and growing your business. Check out the Construction Marketing Association blog for ideas. <https://goo.gl/f95Bh1>
- Consider doing business with the City.** Contracts with the government entities can be an important source of business for your company. Learn more about how to bid on contract opportunities with the City of Minneapolis. <https://goo.gl/LoQkig>
- Enroll in the City's Target Market Program.** Through this program, you can compete for City contracts under \$100,000 against other similarly-sized businesses rather than against larger, more established businesses. <https://goo.gl/ZBGBjV>



If your business is small or woman-, minority-, or veteran-owned, get certified by one of the applicable certifying agencies in the region. Certifications can help you gain preference as a subcontractor on large government or private contracts that have supplier diversity goals to meet.

- Make sure you stay current on your taxes.** Learn more about the taxes you have to pay. <https://goo.gl/c4JmEv>
- Complete continuing education courses.** If you are a residential builder, residential remodeler, or residential roofer, you must complete 14 continuing education hours at some point within the two years before license renewal. <https://goo.gl/CVvqkl>