

# Thinking of opening a Brewery or Brewpub?

The process to open a brewery is complex. The following steps should be considered:

- 1) **Determine type of operation (business plan) desired – e.g. brewery (no food) or Brew-pub (with food)**
  - Brewery (no food). This is a beer manufacturing plant that allows you to have a tasting room for the retail sales of beer (“malt beverages”) for consumption on or off the manufacturer’s licensed premises. A brewery cannot sell any alcoholic beverage other than beer produced on the premises.
  - Brew-pub (with food). A brew-pub has on-site beer manufacturing capacity but also includes a “bona fide eating place” which therefore also allows the sale of wine and “guest beers” produced by other manufacturers for on-premises consumption, however the sale of prepared food also requires additional permits from the City and County of San Diego.
  - [https://www.abc.ca.gov/questions/licenses\\_faq.html](https://www.abc.ca.gov/questions/licenses_faq.html)
  - <https://www.abc.ca.gov/forms/abc616.pdf>
- 2) **Establish legal entity and trade mark product names, company name etc. – Brewers typically retain a licensed attorney with expertise in this industry.**
  - <http://www.sos.ca.gov/business-programs>
  - <http://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule>
- 3) **Determine approximate location(s) within the City which match the business plan (e.g. North Park, Mira Mesa, Kearny Mesa, Barrio Logan, etc.) While breweries and brew-pubs are permitted ministerially (i.e. “by right”) in all of the City’s industrial zones and a few commercial zones, special discretionary permits and/or re-zoning ordinances would be required in most other areas of the City. These approvals always involve a lengthy process which can be expensive and may result in the impositions of conditions and limitations on business operations.**
  - The Economic Development Department can assist you with zoning/land use research on commercial and industrial properties within the city limits. Contact the Manufacturing & Logistics Unit at (619) 236-6350.
  - <http://www.sandiego.gov/economic-development/index.shtml>
  - <http://www.sandiego.gov/development-services/zoning/index.shtml>
- 4) **Retain a licensed real estate broker.**
- 5) **Perform due diligence on short-listed sites (zoning, fee costs, availability of “tenant improvement allowances” from landlords, foundation/slab strength, parking, ceiling clear height, natural gas and electrical service, water and sewer capacity, etc. Brewers typically retain a consultant with expertise in this industry for this purpose. Brewers and their consultants can contact the Manufacturing & Logistics Unit at (619) 236-6350 to obtain information on City development requirements and the availability of water and sewer services/capacity.**
- 6) **Lease or buy a space or building. Many brewers obtain an “escape clause” in the lease as a contingency allowing the lessee to cancel the agreement if all government approvals cannot be obtained within a certain time frame.**
- 7) **Apply for federal license for alcoholic beverage production from TTB (Alcohol & Tobacco Tax & Trade Bureau).**
  - <http://www.ttb.gov/ponl/permits-online.shtml>
  - Email: [Permits.Online@TTB.gov](mailto:Permits.Online@TTB.gov) Phone: 855-TTB-PONL (855-882-7665) Fax:(202)-453-2989

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- 8) Obtain City of San Diego zoning clearance on the "Zoning Affidavit" as required by the California Department of Alcoholic Beverage Control (ABC). Contact the Manufacturing & Logistics Unit at (619) 236-6350 to obtain the Zoning Affidavit instruction sheet.
  - <http://www.abc.ca.gov/FORMS/ABC255.pdf>
- 9) Apply for Type 23 Small Beer Manufacturer's License from the ABC using the completed Zoning Affidavit + other documents.
  - <http://www.abc.ca.gov/permits/licensetypes.html>
  - Email: [cust.serv@abc.ca.gov](mailto:cust.serv@abc.ca.gov)
- 10) Retain a licensed architect to draw up plans ("construction drawings") for tenant improvements to the leased commercial or industrial space secured in Step 6 above. If any discretionary approval is required by the City, that approval must be obtained prior to issuance of any building, mechanical, plumbing, or electrical permit.
- 11) Apply for a building permit(s) from City of San Diego (DSD).
  - <http://www.sandiego.gov/development-services/devprocess/index.shtml>
  - Appointment Scheduling: (619) 446-5300 Limited Hours Email: [dsdweb@sandiego.gov](mailto:dsdweb@sandiego.gov)
- 12) Obtain all other licenses and approvals (e.g. Sellers Permit from the California State Board of Equalization (SBE), a Business License from City of San Diego, Fictitious Business Name Statement ("dba") from the County of San Diego, etc.).
  - <http://www.boe.ca.gov/info/reg.htm>
  - <http://www.sandiego.gov/treasurer/payments/btax/btaxonlinepay.shtml>
  - <https://arcc.sdcounty.ca.gov/Pages/fictitious.aspx>
- 13) Apply for food establishment permits from County Department of Environmental Health (DEH) and City Public Utilities Department (PUD) (**brew-pub only**)
  - <http://www.sandiegocounty.gov/content/sdc/deh/fhd/food/publications.html>
  - <http://www.sandiego.gov/mwwd/sewerspill/grease/fewd.shtml>
- 14) Retain a licensed construction contractor.
  - <http://www.cslb.ca.gov/>
- 15) Pull building permit(s) from the City of San Diego.
  - <http://www.sandiego.gov/development-services/smallbus/smbstips.shtml>
- 16) Begin construction and call for City building, mechanical, and electrical inspections when ready.
  - Generally, permits expire after 180 days if no inspections have been made. In order for the project to be complete, it must pass final inspection. If a permit expires before final inspection, the project is in violation of City codes. Permits can be extended by the Development Services Department (DSD) (858) 492-5070.
- 17) Obtain final inspection/approvals from DSD, DEH, ABC, and TTB.
  - Contact each agency separately to obtain these final approvals.
- 18) Begin production of beer, open to public

This step-by-step guide includes only those steps which are required or commonly associated with the manufacturing of beer in San Diego. Other common business practices include obtaining financing, hiring employees, paying taxes, obtaining insurance, getting a sign permit, marketing the products etc. We can also help with some of these steps as well.

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