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Portland 11th-best place to start a small business

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Long derided for its attitude to business, the city is now one of the country's best

Portland Business Journal - by Wendy Culverwell Business Journal staff writer



Portland's chilly reputation for being unfriendly to business could be in for a thaw.

Comments

A new survey ranks the City of Roses No. 11 in a list of the nation's 100 best cities to create and develop small business.

The list, compiled annually by the Portland Business Journal's parent, American City Business Journals, links small business vitality to population and job growth. Portland, with a score of 20.77, was narrowly edged out of the top 10 by No. 10 Portland, Maine.

The first and second spots went to Raleigh and Charlotte, N.C., reflecting a generally sunny small business climate in the South and West.

Portland had 61,244 businesses with 99 or fewer employees, or 28.7 per 1,000 residents in 2006, according to Census data used in the formulation. The 11th place showing is the best by Portland since the first list arrived in 2005. Back then, with the economy in full swing, Portland ranked 39th.

Its profile was boosted in the latest tally by job and population growth that outpaced the national averages.

Portland tallied an 8 percent increase in population between 2002 and 2007 compared to 4.8 percent nationally, and an 11.7 percent change in private-sector employment between 2003 and 2008, compared to 5.8 percent nationally.

The new ranking puts Portland in company with fast-growing cities in the Southeast as well as Seattle, and helps refute the city's reputation for being more concerned with environment than economy.

Local leaders say the small business ranking is recognition Portland has become more business friendly.

"Portland does a great job of fostering entrepreneurs and small business," said Megan Doern, communications director for the Portland Business Alliance, which been a critic in the past.

She said both the city of Portland and Multnomah County deserve credit for reforming business taxes and license fees. There's room to improve, but she said the steps are welcome.

In the past year, the city of Portland revised its business license fee collection to better spread the burden among large and small firms and later arranged for businesses that paid license fees on time to receive credits immediately instead of having them spread out over five years, a move that is worth \$8 million to business this year.

Peter Stark, a designer and former president of the Central Eastside Industrial Council, said the shift in thinking is noticeable.

"There was a time when the city's focus was geared more toward qualify of life and making sure amenities were great, but because of the economic climate, I have seen a very deliberate shift," he said.

Tom Taylor, senior vice president for business banking for Wells Fargo in Metro Portland, said business loan originations increased 70 percent in 2008 compared to 2007, driven in part by a record increase in lending backed by the U.S. Small Business Administration.

"Portland is really a city of young people and young-thinking people and that really drives entrepreneurship," he said.

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