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Entrepreneurs Leverage New Orleans's Charm to Lure Small Businesses

By **ABBY ELLIN**

IT has been a long time since the word “optimism” was spoken in the same sentence as “New Orleans.”

But a small group of entrepreneurs has been using that word lately to describe their efforts to attract small businesses to New Orleans. For now, their enthusiasm may be greater than their results. But they say the city's low rents and business tax incentives along with its music and culture have proved to be powerful lures, despite the still-halting efforts to get past the devastation of [Hurricane Katrina](#) in 2005.

“We're seeing the exact same thing here that we saw in the Bay Area in the mid '90s,” said Michael Hecht, 38, president of Greater New Orleans Inc., a nonprofit economic development agency. He moved to New Orleans in early 2006 after time in both San Francisco and New York. “There's a sense of opportunity and possibility, combined with people who have the horsepower to actualize those possibilities.”

Since Hurricane Katrina, at least four formal entrepreneurial hubs have been established in New Orleans: Entrepreneur's Row, the Icehouse, the I.P., (an acronym for Intellectual Property) and the [Entergy](#) Innovation Center. While they all hope to help nurture individual businesses, they are not technically incubators. Instead, they house start-ups and established companies while focusing on “clustering like-minded entrepreneurs to build their businesses together,” said Tim Williamson, 44, the co-founder and chief executive of the Idea Village, a nonprofit group founded in 2000 that helped created the I.P.

So far, they seem to be doing something right. According to the Louisiana Workforce Commission, the New Orleans metropolitan area reported an increase of nearly 100,000 nonfarm jobs from October 2005 — soon after Katrina — to June 2009. By 2016, the commission expects New Orleans area employment to grow 24 percent from 2006 levels, or to 98.8 percent of pre-Katrina levels.

“There has never been a better time in Louisiana for the creative class to thrive,” said Mitchell J. Landrieu, the state's lieutenant governor.

Jon Guidroz, 27, is one of the entrepreneurs who was persuaded to move to the city. He grew up in New Orleans but was living in Massachusetts and working for Free Flow Power, a renewable energy company, after Katrina hit. “I wanted to return to help,” he said. But he said he did not see a strong business reason to move.

Then, last year, Sean Cummings, a real estate developer and entrepreneur in New Orleans, randomly found Free Flow's Web site and noticed that the company had a Mississippi River project in the works. Mr.

Cummings, 44, a co-founder of a group called [Startup New Orleans](#), invited Mr. Guidroz to visit his offices in New Orleans at 220 Camp Street, a loft building called Entrepreneur's Row. As an extra incentive, Mr. Cummings even offered to give him six months free rent.

"He helped me fulfill my dream of bringing this business to New Orleans," said Mr. Guidroz, who moved back in January. "Until these guys rolled out the red carpet for me — immediate access to a substantial network in the city and state for getting things done, finding local investors — I don't think we would have done it."

Entrepreneur's Row was conceived in May 2007, when Mr. Cummings received a phone call from Nicolas Perkin, the co-founder and president of the Receivables Exchange, an electronic marketplace for the buying and selling of commercial receivables. Mr. Perkin had recently gotten married, and he and his bride wanted to relocate to New Orleans from New York. What did Mr. Cummings think?

Mr. Cummings thought it was a great idea, and the two men set about figuring out how to attract other entrepreneurs to the city. "To really prosper, New Orleans must focus on the few opportunities where we have a compelling competitive advantage," Mr. Cummings said. "We must likewise recruit entrepreneurs who are drawn to a joyful quality of life. It's a home-run success story. Entrepreneurs are reinventing New Orleans, like Prague after the curtain, like Milan, like a smaller Seattle."

Along with three other business executives, Mr. Cummings and Mr. Perkin came up with Startup New Orleans, a Web-based information service to connect entrepreneurs with the resources they need to set up a new business. In March 2008, Mr. Cummings established Entrepreneur's Row. Today, it is home to nine companies, including the Receivables Exchange; Mr. Guidroz's company Free Flow Power; and Audiosocket, a music licensor. (Mr. Cummings has a financial stake in at least six of the companies.)

The Icehouse — a 12,000-square-foot, renovated warehouse in the Seventh Ward, which was severely damaged by Katrina — opened in April 2008 and now houses seven businesses. They each pay \$600 a desk each month, which covers a phone with private number, high-speed Internet, a kitchen and a rooftop deck access.

"One of the things we wanted to do post-Katrina was to make sure that our footprint had maximum impact," said Robbie Vitrano, president of Trumpet, a branding and business development firm that is managing the building. "We wanted to be in a neighborhood that was redeveloping." Mr. Vitrano, 45, is also a co-founder of Startup New Orleans.

Earlier this year, the Idea Village and Greater New Orleans Inc. refurbished an 85,000-square-foot building at 643 Magazine Street in the warehouse district and called it the I.P. (Intellectual Property). It has nine tenants, including TurboSquid, a 3-D modeling company; TJ Ebbert and Associates, a disaster management consulting firm; and Carrollton Technology Partners, a technology development company. The building has a cafe, a gym with his and her saunas, business concierge desk and multiple "brainstorm rooms."

Part of the appeal is that New Orleans is, perhaps, the ultimate college campus for adults. After work, many of the young businesspeople gather for drinks at International House, the boutique hotel in the central business district that Mr. Cummings opened 10 years ago across the street from his loft building. Mr.

Cummings and Mr. Perkin also hold monthly meetings at the hotel in which business owners can share war stories and vent.

“The thing about this city, like no other — everybody wants everyone to succeed,” said Seema Sudan, the owner and director of design at the knitwear company LiaMolly, who moved to New Orleans in October 2007. “I have never been in a place that is so community-oriented,” she said. “Competitive gets you nowhere. It’s about being collaborative. And this city is so like that, from the people helping each other rebuild their homes to building businesses.”

She said she also appreciated the quality of life, and the fact that she paid \$800 for a 900-square-foot studio in the Garden District, and \$1,800 for a three-bedroom apartment with a yard and tree house.

Two years into his project, Mr. Cummings remains enthusiastic.

“I am blown away by the caliber of talent,” he said. “It’s a thriving creative culture of invention. And it is growing every day.”

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