

100 best places to live and launch

2. Georgetown, Texas



COURTESY: KEITH HUTCHINSON/GEORGETOWN CITY HALL

Population: 37,963

Pros: Business friendly tax structure, entrepreneurial camaraderie, scenic suburb of Austin

Con: Higher housing costs

Austin's entrepreneurial community may be among the strongest in the country, but its heavy traffic and urbanization have driven some experienced business folks to look elsewhere. Enter Georgetown. This suburb of Austin has transformed from a sleepy bedroom community into a city with its own identity and a rapidly growing business climate.

Located 26 miles north of the state's capital, Georgetown has welcomed 270 new businesses over the past two years. The state's lack of individual and corporate income taxes is just one reason Texas is considered business-friendly. On a local level, Georgetown charges relatively low water and electricity rates, and its property taxes are among the lowest in the region. As part of the Greater Austin area, Georgetown entrepreneurs in the city's growth industries - healthcare, life sciences, and technology - can seek out additional support from the region's business-development efforts. A convention center slated to open next year should help further build Georgetown's up-and-coming business scene.

Georgetown is considered one of the prettiest cities in Williamson County, especially during the spring and summer months when poppies and wild flowers are in full bloom. Housing costs tend to be higher than in many of Austin's other suburbs, but residents who settle into one of the city's restored Victorian homes or new Tuscan villas can enjoy a walk along the bank of the San Gabriel River or play a round of

golf on one of the five local courses. Mountain biking trails around Lake Georgetown lead riders to the edge of Texas Hill Country. As the self-proclaimed "Live Music Capital of the World," Austin still offers the best selection of performing arts in the region. However, Georgetown's annual food and arts festivals, independently-owned restaurants, rodeo, and nearby wineries are enough to keep residents close to home most of the time. -*Brandi Stewart*

How we pick the 100 Best

We ranked 296 Census-designated metro areas by business friendliness (Launching Score, % New Businesses) and lifestyle offerings (Living Score). Then, through reporting, we picked the town within each of the top 100 metro areas that best blends business and pleasure.

The details: We enlisted OnBoard, a data-collection agency in New York City, to gather relevant federal, state, and city statistics. Bert Sperling, a consultant based in Portland, Ore., and the author of *Cities Ranked and Rated*, provided additional data and helped crunch the numbers. We started by examining 296 Metropolitan Statistical Areas (MSAs). An MSA, or metro hub, is a Census-designated region, consisting of a cluster of neighboring cities and towns that share many of the same economic and recreational resources. (See census.gov for more information.) Each MSA hub earned points based on business factors such as tax rates, job growth, and the number of airline flight connections within a 60-mile radius.

Next we assessed lifestyle factors in each hub (for instance, the number of parks and arts venues within a 15-mile radius, health infrastructure, and average temperatures). We then combined the business and lifestyle scores to arrive at a preliminary list of hubs, filtered out hubs with that appeared to have a low percentages of startups (based on the number of new businesses with fewer than 20 employees as a percentage of total businesses with fewer than 20 employees, in 2004, in 2004, the latest statistics available), and ranked the hubs accordingly. Last, we picked towns within each hub that demonstrated the strongest population growth and lowest crime rates; we also favored those with housing costs no greater than 120% or less than 80% of the median area cost.

Our reporters then interviewed entrepreneurs, local officials, and business experts to identify towns with the strongest small-business programs (such as tax incentives or favorable zoning regimes) and the most appealing leisure resources (such as a lively downtown, great fishing, or beautiful parks).

Courtesy of JB Goodwin