

Downtown poised for growth, Commerce Chamber reports

Despite Oregon's troubled economy, the downtown blocks have shown many signs of revitalization

By A. Sho Ikeda
Senior News Reporter

Despite a slow economy and high unemployment in Oregon, Eugene business experts remain optimistic about the city's economic future.

For the past two years Oregon and Washington state have seen the nation's highest unemployment. The unemployment rate in Oregon was 8.1 percent in July, points higher than the national rate of 6.2 percent, said Dave Hauser, president of the Eugene Area Chamber of Commerce. Lane County's unemployment rate was 7.7 percent in July.

Hauser blamed Oregon's economic slump on the state's high-tech industry losses. He also noted that the drop in timber sales during the 1980s and 1990s hurt Eugene businesses. Eugene fared better than other Oregon cities, however, because of its diverse economy, he said.

"I suppose Oregon's general economy is challenged, but Eugene is doing better than the rest of the state," Hauser said. "We don't rely on a single product."

Hauser said institutions like the University and PeaceHealth Oregon help the local economy through employment and their interaction with other businesses.

While downtown Eugene has seen its share of ups and downs over the past few years, Hauser said he thinks the area will see a resur-



Shoppers might notice many "for lease" signs and empty storefronts in the downtown Eugene area.

Jessica Waters
Photo Editor

gence in the future.

"I think the downtown area is positioned for future growth," Hauser said. "I think we're heading in the right direction with new projects such as the new library, new housing and the new federal courthouse."

Jack Roberts, executive director of the Lane Metro Partnership, said the loss of businesses within the Eugene-Springfield area, such as the Sony compact disc factory and retailers like Montgomery Ward, have hurt the local economy. He added that there are many businesses, however, that remain successful.

"There are many companies that are doing well," Roberts said. Roberts said organic food growers are prospering in Eugene, along with wood products producers.

Roberts also cited the Milken Institute's recent Best Performing Cities index, which ranked Eugene No. 85 among the country's top 200 economically performing cities. Eugene, which ranked No. 103 last year, surpassed some larger cities such as Seattle and San Francisco.

"Eugene and its downtown area

has been hurt over the past few years, but we fully expect a turnaround in the future," Roberts said. "There are many positive signs."

And Big City Gamin' could be counted as one of those positive signs. The video game retailer first opened its doors at West 13th Avenue and Willamette Street in 2001. Since then, it has opened a store in Corvallis and is planning to expand into Portland.

"We're doing pretty great," owner Justin Field said.

Field said most of his business' success comes from word-of-mouth advertising. He said the Eugene store's location, cheap game rentals and playable video game consoles offer an appealing combination to customers. The store has nine employees.

Field said he has seen nearby downtown businesses come and go, but that his Eugene store has done very well since its opening.

"I think we filled a certain niche, and that's why we're doing so well," Field said.

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University bolsters Eugene's economy

A Milken Institute report ranked Eugene's economy as the 85th-best nationally

By A. Sho Ikeda
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The city of Eugene jumped significantly in the Milken Institute's recently released Best Performing Cities index, despite Oregon's gloomy economic outlook, an increase partly attributed to the University's influence.

The Milken index — which measures where jobs are being created, where economies are growing and where businesses are thriving — ranked Eugene at No. 85 among the country's top 200 best-performing cities. Eugene, which was ranked No. 103 last year, surpassed some larger cities like Seattle and San Francisco. Other Oregon cities ranked by the index include Salem at No. 133, and Portland at No. 141.

According to the Milken report, cities where government and higher education play an important role in the local economy are less susceptible to downturns in the national economy.

Although state funding for higher education has dropped, the University's level of sponsored research grew to a record \$75 million in 2002, a 30 percent increase from the previous year, said Rich Linton, University vice president for research.

Linton explained that 95 percent of the \$75 million came from non-state sources — 85 percent from federal sources and 10 percent came from private donations. Much of the

non-state funding goes toward paying graduate student research assistants and technical support staff. Linton also cited a U.S. Department of Commerce report, which showed that for every million dollars spent in academic research in Oregon, 47 jobs are supported.

"That makes for quite a few jobs that \$75 million is supporting," Linton said.

The University of Oregon Factbook states that the University is Lane County's largest employer and contributes nearly \$400 million a year to the Eugene economy through direct spending, employee payroll, construction contracts and student spending.

Research at the University spurred the creation of start-up companies that help support 250 jobs at the Riverfront Research Park, Linton said, adding that the University is on the verge of creating several more companies that will contribute to Eugene's growing economy.

"I think there is a growing spirit of partnership and cooperation with the University and Eugene," Linton said. "We're working more with local groups and businesses to increase recruitment and business within the area."

The Milken report also cited economic diversity, high standards of living, and the presence of private, government and university-based research laboratories as significant factors of healthy economic development. The report can be viewed at <http://www.milkeninstitute.org>.

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