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EUGENE'S TECH CONNECTION

The area is poised
to be a high-tech hub
— helped by livability
and downtown's
new fiber internet link

THE EUGENE AREA CHAMBER OF COMMERCE: LEADERSHIP. COMMUNITY. RESULTS.

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THE FUTURE IS HERE

Lane County is perfectly positioned for tomorrow's tech companies

BY SOPHIA MCDONALD BENNETT
PHOTOS BY DAVID LOVEALL

In 1984, a pair of Lane County entrepreneurs started creating games for this new-fangled thing called a personal computer. Dynamix quietly became a well-respected software company that created good-paying jobs for locals and released products beloved by people across the nation.

The technology industry has been a force in the Eugene-Springfield area almost since it became an industry. Although it wasn't very visible in the beginning, it's hard to ignore today. According to the Oregon Employment Department, there are about 4,400 people employed at Lane County's 418 technology firms. By 2024 the sector is expected to employ 5,418 people, an increase of 28 percent. The average wage for a technology worker is \$74,000 – a far cry from the area's average of \$40,824.

Several former Dynamix employees went on to start their own gaming companies, and Lane County still has a high number of firms that specialize in that niche. The area is also known for companies that specialize in educational technology. Businesses tend to be small, around 40 to 50 employees, which is one reason Eugene's tech sector flies under the radar. And unlike other traded sector companies, the majority of their sales are outside of the area, which is why so few locals have heard of them.

But tech is here to stay, and it holds huge potential to bring jobs, revenue and better



Concentric Sky President
Cale Bruckner



Palo Alto
Software CEO
Sabrina Parsons



Lunar Logic
CEO Celeste
Edman

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services to the community. That's why the Eugene Area Chamber of Commerce, working as part of the Lane Sector Strategies Team, has made a concerted effort to identify and advance projects that will make it stronger. Here's a closer look at what makes Eugene an ideal place for technology businesses and how the Chamber has been aiding the industry's growth.

Tech ♥ Eugene

In some ways, Eugene is the polar opposite of the Silicon Valley – and that's exactly what makes it so attractive to many tech workers.

"When compared with Seattle and San Francisco, Eugene has a lot to offer," says Sabrina Parsons, CEO of Palo Alto Software, which offers software and other tools to help small business owners. "Entrepreneurs and tech employees tick boxes when looking for a place to live, and Eugene ticks all the boxes." On their checklist: affordable housing, a decent commute, a vibrant downtown and a relatively low cost of living.

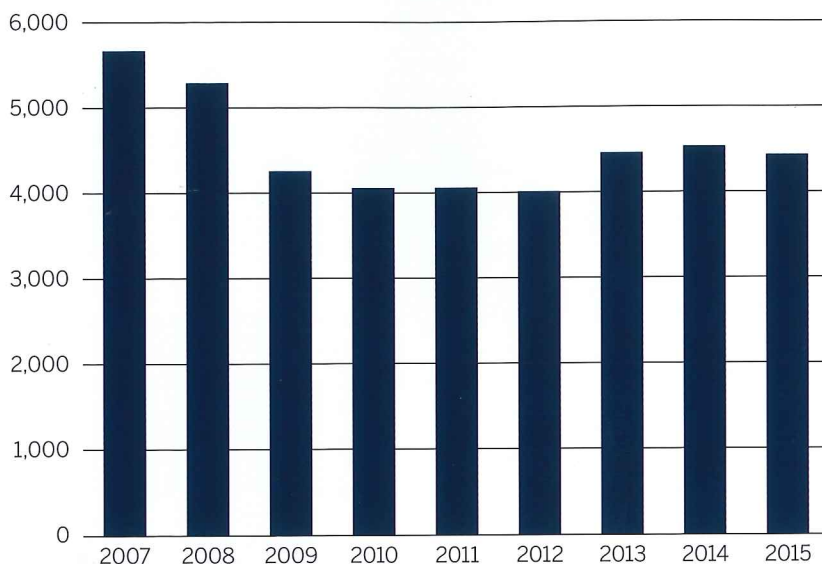
"Eugene really offers the best of both worlds," says Jake Weatherly, CEO of SheerID, which develops eligibility verification software. "You can work downtown or in an office, but then you can live on acreage and have some elbow room."

"Quality of life is something that people in tech think about a lot," says Cale Bruckner, president of Concentric Sky, an education technology company. "I'm not sure why that is, but they do. That's helped us retain our talent. There are a lot of people working for Concentric Sky today who started when it opened in 2005. Despite getting multiple offers from firms in San Francisco and Seattle, they continue to live here because of the lifestyle it offers."

The ability to hire good-quality employees is one reason companies are heading to the Eugene-Springfield area. "Besides having good skills in their respective fields, Eugene seems to produce hard working, loyal, high-integrity people with good problem-solving skills," says Weatherly.

"It used to be that people would go where the jobs were," says Matt Sayre, director of the southern Willamette Valley for the Technology Association of Oregon, a members based non-profit that focuses on creating an environment where technology companies can thrive. "Now the jobs go where the people are."

Lane County Tech Sector Employment



SOURCE: STATE OF OREGON EMPLOYMENT DEPARTMENT.

Opportunities to strengthen the Eugene-area tech sector

Here are the six areas identified by the tech industry as opportunities to strengthen the sector in Eugene.

1. Develop a brand marketing effort to promote the local tech sector
2. Improve internet bandwidth throughout the region
3. Expand air service to key markets
4. Support improvements for quality K-12 education
5. Build business-driven curriculum that will feed the talent pool
6. Improve the image and safety of downtown

Some of that talent comes from freshly-hatched students at the University of Oregon, Lane Community College and Oregon State University. Some comes from individuals home grown at legacy firms such as Dynamix, GarageGames and Palo Alto Software. And some of the workforce comes from mid-career employees who are interested in settling down and starting a family. Eugene has a big recruiting advantage in this area, which local

firms appreciate.

"They're valuable employees because they have a lot of experience and connections," says Joe Maruschak, who currently works as Chief Start-up Officer of RAIN Eugene.

Benefits for businesses

Putting aside the great workforce, there are several qualities that makes the Eugene-Springfield area an ideal place for technology firms. The lower cost of living in the Eugene-Springfield area gives businesses a competitive advantage, Parsons believes. Office space is 82% less expensive here versus San Francisco, and companies can pay slightly lower wages than their counterparts in urban centers without decreasing their workers' quality of life.

Eugene is in the process of installing a high-speed fiber line in the downtown core. Businesses with fiber get affordable gigabit internet service and the ability to directly connect to cloud providers like Amazon and Microsoft. "We're increasingly headed toward being one of the best places in the country for internet access," Sayre says. Buildings that are currently part of the fiber pilot project have a zero percent vacancy rate. This compares to an average of 12% vacancy rate for all of downtown, as reported by Evans Elder & Brown.

"We have a very collaborative tech sector here," Sayre says. "Many of their clients are out of the area, so they're not competing for

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the same customers.” CEOs don’t balk at the idea of participating in programs like The Hot Seat, where executives gather to share their experience on topics such as access-to-capital or mergers and acquisitions. Recently Eugene also hosted a TechCrawl, where more than twenty tech companies opened their doors to more than five hundred visitors.

“The Chamber has done a good job of making Eugene a place where entrepreneurship is supported and encouraged,” says Parsons. Although their efforts to support business creation go far beyond the tech sector, she says it matters to technology CEOs because they want to be places that are teeming with venture capital, innovation and new companies.

The Eugene-Springfield area is increasingly a place where companies can expect institutional support as well. The Lane County’s Sector Strategy Team brought together tech industry leaders to discuss opportunities for expansion and identify issues that inhibit the growth and stability of the tech industry in Eugene and Lane County. That group identified six things Eugene and Lane County could do to improve the operating environment for their businesses.

One of the group’s sector strategies was to increase access to high speed internet – a project that’s expected to be finished in 2017. Another was securing a direct flight from the Eugene Airport to San Jose International Airport, a goal the Chamber helped meet in 2015.

The remaining four sector strategies focus on the long term, but the Chamber and its partners are making significant progress toward meeting them.

Connecting classroom learning with business needs

In 2015 The Technology Association of Oregon and the industry started an open conversation with the computer science department at the University of Oregon. Their goal was to find ways to better connect what students were learning with the needs of the local industry.

Those talks have yielded good results. The university’s computer science department is offering new curriculum in cybersecurity and a minor in data science/internet of things. There

High-speed fiber internet a game changer for downtown

The profusion of high-tech firms in downtown Eugene means billions of bits of information are traveling back and forth on the information superhighway every day. Keeping up with those business’s data needs is a crucial part of Eugene’s ability to keep and attract companies to the area.

The city is poised to become a leader in providing fast, reliable internet services thanks to the Willamette Internet Exchange. WIX, as it’s also known, is a high-speed fiber line that will deliver gigabit service and the ability to directly connect to Amazon Drive’s cloud storage system. The fiber line will run to 150 buildings in Eugene’s downtown core.

The importance of this critical bit of infrastructure shouldn’t be overlooked, says Matt Sayre with the Technology Association of Oregon (TAO). “Right now what we have is a Highway 99 connection at best. The fiber line will be more like an Interstate 5. It will change the economics of internet access for our region.”

Right now fiber is only available in three buildings that agreed to participate in a pilot program. Businesses at those properties can get a gigabit internet connection for about \$99 a month. Over the next year, EWEB will work to install fiber in the remaining buildings downtown. The project will wrap up in 2017.

Lunar Logic is one of the companies that participated in the pilot program. CEO Celeste Edman says cheaper, better-quality internet service is

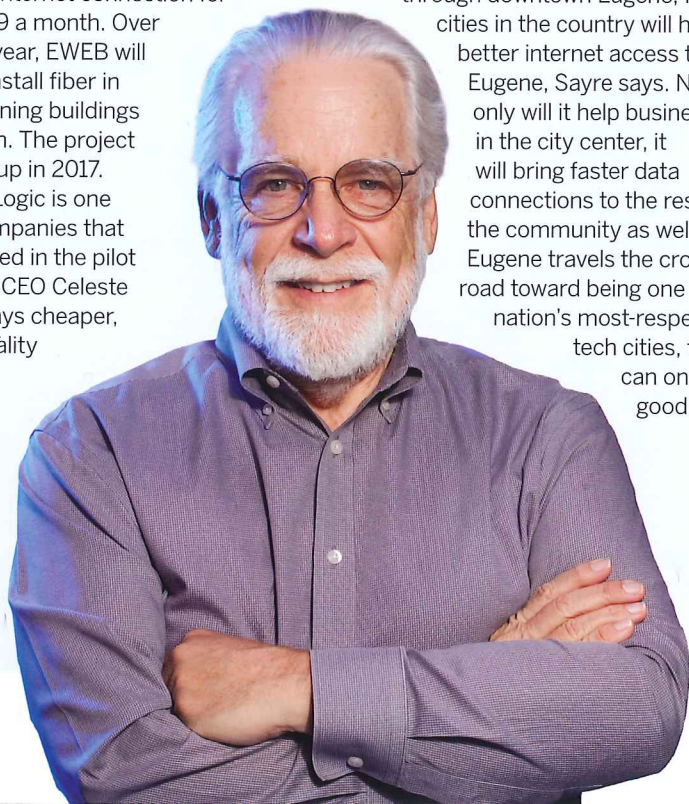
expected to save them \$15,000 a year. “That can go to employee benefits or company growth,” she notes.

There’s evidence that fiber is making a difference at a macro level too. “There’s currently a 12 percent vacancy rate in downtown buildings,” Sayre says. “But that number is zero percent for buildings with fiber. That’s an early indicator of the importance of that type of infrastructure in terms of attracting businesses.”

Jake Weatherly, CEO of SheerID, is excited about the larger implications of fiber. “The bandwidth is helpful day-to-day, and ability to direct connect to Amazon Cloud is huge,” he says. “But what I like about fiber is the impact it has on the area. We are now punching above our weight class in terms of infrastructure.”

WIX is a joint effort between EWEB, the City of Eugene, Lane Council of Governments and TAO. The Chamber has also been a tremendous partner in the project, Sayre says. It was one of the biggest advocates for extending the Downtown Urban Renewal District, which provided \$3 million in funds toward the project.

Once the fiber ring has made its way through downtown Eugene, few cities in the country will have better internet access than Eugene, Sayre says. Not only will it help businesses in the city center, it will bring faster data connections to the rest of the community as well. As Eugene travels the crowded road toward being one of the nation’s most-respected tech cities, that can only be a good thing.



Right: Milo Mecham with the Lane Council of Governments oversees the Willamette Internet Exchange, also known as WIX.

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are also more open lines of communication between businesses and professors.

"Over the last couple of years I've seen the University of Oregon really step up and commit the resources and effort to advancing their Computer and Information Science program so they're producing computer science students who are ready to join the workforce," Bruckner says. "They're making a real effort to support what's going on in the community and a lot of people appreciate it."

Lane Community College is also doing a great job of preparing students to work in tech. One of their most exciting efforts is a program called Coder Dojo, a program that teaches young people how to code. Engineers at Lunar Logic, a digital marketing and web development company, have taught several of the classes. CEO Celeste Edman is very enthusiastic about their involvement.

"We plan to stay involved in programs like these because we see the importance of that kind of education on all levels. Even if those kids don't go to a tech firm, they might work for one of my clients. These skills are needed in all industries, not just tech."

Talent is the number one input to growth that fuels the tech sector, and we are in the process of developing one of the most robust talent pipelines in the country."

— Matt Sayre

Director of the southern Willamette Valley for the Technology Association of Oregon

Improving quality, reputation of K-12 education

"Talent is the number one input to growth that fuels the tech sector, and we are in the process of developing one of the most robust talent pipelines in the country," Sayre says. A new STEM Hub program has already taken off, and a push to bring a state-approved Career Technical Education curricula around computer science is in the works. The Chamber has played a role in connecting businesses and educational institutions with the goal of advancing both programs.

In addition to helping companies improve

K-12 education, "the Chamber has a role to play in making sure that true information about schools in our area specifically is shared and promoted," Weatherly says.

"Dealing with the image of public education is challenging when it comes to recruiting," Parsons says. National news stories about Oregon's short school years sometimes make families think twice before relocating to the area. But Eugene and Springfield schools have good stories to tell about the way they're educating students. The Chamber will continue to work to not only make schools better, but let potential employees know why local educational institutions deserve an "A."

A safer downtown for everyone

"Safety is always part of the conversation in a cityscape," says Edman. "We've been in downtown all through the revitalization, and we really like the downtown atmosphere. There's a lot of vibrancy and a lot going on. But we still have more work to do."

Although her employees don't always feel safe downtown, Edman has definitely seen things get better. "If you'd asked me about



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downtown safety eight or nine years ago, my answer to this question would be different," she says. "Since then we've seen a lot of groups come together to solve problems collaboratively." She praises the Eugene Police Department for having a police sergeant dedicated to working with downtown businesses.

The Chamber was one of the biggest advocates for renewing the Downtown Urban Renewal District. It's expected to generate \$20 million for various projects to improve the safety and overall environment downtown. The organization is also leading a downtown stakeholder process designed to develop and implement strategies that will lead to a safer city center.

"What I like is that the Chamber, through Downtown Eugene Inc. and the Downtown Eugene Merchants group, is working on solutions," Parsons says. "We're not alone down here."

Branding Eugene's tech sector

There is real work happening to promote the region's tech sector. TAD Talks, Tech-Crawls, Hack-a-thons, and earned media are all examples of efforts underway to create buzz

and get people engaged. And there has been work to brand and market the area as "Silicon Shire." Bruckner is the one who came up with the name, and he's been actively promoting the effort.

"We struggle as a community with not really knowing our identity," he says. "Eugene is halfway split between Track Town USA and the Country Fair. There's a lot going on, but that's part of what makes us unique – that creative, eccentric side of us. I thought the Silicon Shire brand was an appropriate fit for the quirkiness of our community."

The Silicon Shire has a website that lists and promotes local technology companies. "It provides a visualization of where everyone is and how big everyone is," he says. "That's been a really useful tool in terms of increasing the exposure of the Eugene/Springfield technology sector." It also organized events to promote the industry to potential employees and the community at large.

Not everyone is sold on the Silicon Shire name, but everyone seems to agree that the technology sector has only good things to gain through some strategy to brand and promote

the industry.

"The Sector Strategy Group was great in that it brought people together and got the technology community engaged," Maruschak says. "Now that there's some visible movement on issues, some awareness that this is an industry, it's making people want to double down and get involved. They feel like they're part of a community, and that the community is supporting them and listening to them."

Maruschak says the thing that excites him most about the future of the tech industry in Eugene is that its leaders are stepping up and working toward a vision of what they want their community to look like. He saw that play out at public meetings on the Downtown Urban Renewal District.

"All the people supporting it were young people from the tech community, and they were all talking about a positive vision for Eugene," he says. "They were saying, 'We're here and we want to make Eugene awesome.'" On their watch, Eugene is poised to emerge as a powerful force on the national stage, bringing its well-kept secret into a much-deserved spotlight. ♦

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