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## 2011 RAEDI Investors

A.B. Systems, Inc.  
Alvin E. Benike, Inc.  
Associated Bank  
Bouquet Companies  
CenturyLink  
C.O. Brown Agency, Inc.  
Charter Communications  
City of Byron  
City of Pine Island  
City of Rochester  
City of Stewartville  
Custom Alarm/Custom Communications, Inc.  
Dunlap & Seeger, P.A.  
Eastwood Bank  
Edina Realty Home Services  
Elcor Realty  
Express Employment Professionals  
First Security Bank - Byron  
Fox Hill, LLC  
G & L Insurance Group  
General Growth Properties, Inc.  
Haworth & Company, Ltd.  
Heartman Insurance  
HGA  
Home Federal Savings Bank  
Johnson Printing Company  
Kane & Johnson Architects, Inc.  
Knutson Construction Services  
Kruse Lumber  
Mayo Clinic  
McGhie & Betts  
McGladrey  
Merchants Bank  
Minnesota Energy Resources, Inc.  
Minnwest Bank  
North Central States Regional Council of Carpenters  
Olmsted County  
Olmsted Medical Center  
Olmsted National Bank  
People's Cooperative Services  
Post-Bulletin Company  
Premier Bank  
Ready Mix Concrete Company, LLC  
RE/MAX of Rochester  
RSP Architects  
Rochester Area Builders, Inc.  
Rochester Area Chamber of Commerce  
Rochester Public Utilities  
Rochester Sand & Gravel - Division of Mathy Construction  
Root River State Bank - Chatfield  
Schmidt-Goodman Office Products, Inc.  
Smith, Schafer & Associates  
Southeast Minnesota Association of Realtors  
Sunstone Hotel Properties  
Think Mutual Bank  
Titan Development  
U.S. Bank  
Weis Builders  
Wells Fargo Bank  
Wendland Utz, Ltd.  
Yaggy Colby Associates

# 2011 Annual Report

## RAEDI

Rochester Area Economic Development, Inc.

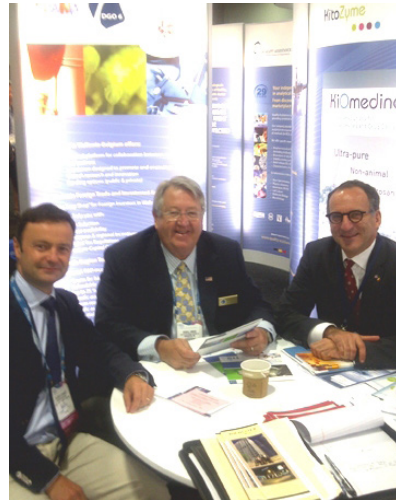
## Technology Businesses Continue to Grow in Rochester Area

Regenerative medicine is an emerging core component of future medical practice – the vanguard of 21<sup>st</sup> century healthcare. Mayo Clinic has identified regenerative medicine as a strategic initiative expected to transform medicine and surgery. Advances in regenerative medicine are poised to offer new tools to understand causes of disease, tailor therapies and generate opportunities for expanded commercial applications, partnerships and alliances – locally, regionally, nationally and internationally.

### Cardio3 BioSciences

Belgian biotechnology company, Cardio3 BioSciences, a leader in the discovery and development of regenerative and protective therapies for the treatment of cardiovascular diseases, established a subsidiary in Rochester, Minnesota, in 2011 in the Minnesota BioBusiness Center. The company, which is based on Mayo Clinic-licensed research by Dr. Atta Behfar and Dr. Andre Terzic, uses patients' stem cells from bone marrow to repair heart damage.

"What is unique about this is its Mayo's intellectual property that they are commercializing, which they took to Belgium . . . and now it has come full circle back to Rochester," said Rochester Area Economic Development, Inc. (RAEDI) President Gary Smith.



### Mill Creek Life Sciences

Mill Creek Life Sciences was founded in Rochester, Minnesota, by Judy Lundy, and Al and Steven Dietz. In 2011, Mill Creek located in the BioBusiness Center. The company produces cell culture supplements for growing stem cells and primary tumor cells. The product has superior growth kinetics and greater genetic stability than the current products on the market. The technology is licensed from Mayo Clinic. RAEDI assisted Mill Creek with their financial packaging and secured their location in the BioBusiness Center.



### BioMold Signs BioBusiness Lease

BioMold has developed a technology for making innovative surgical screws. The company established a BioBusiness Center location in 2011. Mayo is working with the firm using its technology to help them in development of a surgical screw that will eventually turn into bone. RAEDI and the City of Rochester assisted them with securing their location in the Center.

### Preventice Designated as JOBZ Site

Preventice, a Rochester-based medical technology company, has been designated as a JOBZ project by the state of Minnesota. Preventice provides a platform that collects, organizes and distributes patient data in a way that produces better outcomes at a lower cost. The company is currently in expansion mode and requested its new location in northwest Rochester be designated as a JOBZ site. In return for JOBZ, Preventice has agreed to add up to 14 new jobs, most of them programmers. RAEDI assisted Preventice with the JOBZ submission, along with the City of Rochester and the Minnesota Department of Employment and Economic Development.



## Healthcare Sector Spurs Economic Growth

### Proton Beam Therapy Center and Data Center Began Construction in 2011

Mayo began a number of substantial facility expansion projects in 2011. Two of the most notable are the 60,000 square-foot data center located on West Circle Drive and the Richard O. Jacobson building downtown.

The data center is being built to expand capacity and improve Mayo's IT program. Mr. Jacobson provided Mayo a \$100 million gift to help establish a Proton Beam Therapy Program. Construction of the \$185 million building began in September 2011 and is expected to create 500 jobs for construction workers over the next 3 to 4 years.

The facility, being built at the southwest corner of Second Street and First Avenue Northwest, will house four treatment rooms for the new pencil-beam proton radiation therapy for cancer patients. Proton beam therapy represents an advance over traditional radiotherapy to treat some cancers. Once completed, Mayo Clinic expects to hire more than 120 new employees including many high-end technicians.



### Olmsted Medical Center Builds New Clinic

In October 2011, Olmsted Medical Center (OMC) opened its doors to a newly-constructed outpatient clinic in northwest Rochester. The 64,000 square-foot facility, located on the northwest corner of the intersection of 55th Street and 50th Avenue Northwest, offers extended weekday hours (7 a.m. to 7 p.m.), non-emergency walk-in appointments similar to OMC FastCare clinics in Shopko, and a full-service MOKA espresso bar in its main lobby. The new clinic effectively doubles OMC's primary-care capacity in family, internal and

pediatric medicine and also houses expanded specialty services like physical/occupational/sports medicine, nuclear medicine, cardiac-pulmonary rehabilitation, and general diagnostic imaging.

OMC's investment in the \$20 million new clinic resulted from its confidence in the economic strength and continued growth of the city as well as the need to serve residents in the rapidly growing area. The new Rochester northwest clinic features several LEED-certified, eco-friendly design elements including geothermal heating/cooling.

### Dynasil Biomedical Begins Operation

Dynasil Corporation of America created and located a new business unit in Rochester to pursue opportunities in the biomedical field. The firm hired Dr. Daniel Ericson as its scientific lead with responsibility for research and development. The company purchased Ericson's rights to six biomedical technologies invented or co-invented by him as well as certain rights to royalties and milestone payments if the technologies are successfully developed.



One of Ericson's inventions purchased by Dynasil is a tuberculosis test with the potential to provide a one-hour tuberculosis screening for patients. Present tests require several days making them unsuitable for Third World countries. The second invention is for a tissue sealant developed for both topical and internal bleeding. The sealant, which has high tensile strength, accelerates clot formation. The third set of technologies focuses on point-of-care diagnostics for assessing hemophilia, blood coagulation and cardiovascular risk. The tests use finger-stick blood samples and hand-held optical detection systems.