

Rochester Area Economic Development Inc.

Retain. Grow. Diversify.



In 2017, RAEDI helped facilitate approximately \$76 million of investment and the creation of 126 new jobs.

RAEDI's \$1.2 million operating budget equates to \$63.33 of private investment for every dollar spent on operations.

The job creation cost is approximately \$9,500 vs. the federal standard cost of \$10,000 per job.

2017 Base Business Expansions | 504 Corporation



Pace International announced a \$2 million expansion in 2017 with plans to create 22 new jobs. RAEDI worked with the City of Rochester and Pace Electronics to obtain a \$196,000 grant through the Job Creation Fund.



Kerry Bio-Science of Rochester worked with RAEDI to secure a second expansion in two years. As a result, Kerry is investing another \$24.2 million and planning to add another 22 jobs. RAEDI assisted by helping them secure a \$220,000 Minnesota Investment Loan as well as a \$100,000 loan from the City of Rochester.



504 Corporation was formed by RAEDI to give better access to the U.S. Small Business Administration's (SBA) 504 Loan Program. RAEDI provides management of the day-to-day operation, loan packaging, closing, and servicing for this corporation. The fixed asset loan program finances long-term assets with below market fixed rate loans for 10 or 20 year terms. Beginning in April 2018, 25-year terms will also be available.

A LOOK BACK – 30 YEARS OF GROWTH AND DEVELOPMENT 1988 - 1994 >> >>

1988	Halcon and Marigold Foods expand	1993	IBM Rochester layoffs
1989	Rochester Medical builds \$1.35 million building in Stewartville Industrial Park	1994	Pemstar, Inc. created adding 125 jobs by year-end
1990	Schmidt Printing adds 70,000 sq ft in Byron		Seneca Foods expands - 280,000 sq ft to freezer plant & another 16,000 of production & cafeteria space. 50 new jobs created with expansion and \$4M of new income to area economy
	Domaille Engineering opens its doors		Progressive Tool & Manufacturing Co. completes 47,500 sq ft manufacturing building adding 10 jobs and over \$500,000 of new income to economy
	RAEDI starts business incubator program		Quest International expands with a 33,000 sq ft addition and 25 more workers creating \$3M of new income
1991	504 Corporation formed		Western Digital opens doors in Rochester
	Rochester Meats completes \$3.6 million expansion		
	Land O' Lakes completes \$5 million expansion in Pine Island		
1992	Bowman Tool & Machining adds 6,200 sq ft expansion		
	Textile Care Services constructs 80,000 sq ft facility		

SBA Fixed-Asset Loan Program

15
loans funded
totaling

\$7.1 million

total
project
investment

\$19.2 million

45
new jobs
projected
within two
years

118
loans in
portfolio
currently at

\$45.9
million

Rochester Economic Development Fund (EDF)

The EDF provides funding projects that result in growth and diversification of the local economy. The EDF invests in projects that create/retain jobs, spur additional business investments, and generate tax revenues. In 2017, 8 businesses applied for funding and 4 companies received a total of \$230,000 of funding. EDF-funded companies combined raised a total of \$16.9 million of project funding during the year and created 22 new jobs.

43

businesses applied
for funding to date

15

businesses funded
to date*

\$1.5M

invested to
date

\$62M

in follow-on investment
from other sources

80

jobs
created

48,000

square feet
occupied

56%

women or minority
owned

*Ambient Clinical Analytics, Geneticure, HB Healthcare Safety, Hunhu Healthcare, Imanis Life Sciences, LAgen Laboratories, ReGen Theranostics, Sonex Health, Xcede Technologies, GoRout, LiquidCool Solutions
2017 businesses funded: Craniovation, Smart LabHood Solutions, Spark.DJ, Vyriad

1995 - 2000 >>>>>>

1995 Geotek expands in Stewartville doubling capacity by adding 30,000 sq ft

Domaille Engineering expands after 3 years in business adding 8,400 sq ft

RAEDI partners with SMIF & RPU to re-establish business incubator program

1996 Pemstar expands with TIF package to assist with purchase of land for construction of new facility

Bowman Tool completes second expansion in 4 years adding another 15,000 sq ft

1997 Western Digital doubles size of Rochester operation

1998 Over 550,000 sq ft of manufacturing/warehouse space was completed or under construction

1999 Rochester tops best-cities list

Over 7% of U.S. total real output for computers & office equipment produced in Rochester

2000 Celestica, Inc. acquires electronic card assembly & test operation from IBM Rochester

Western Digital closes operations in Rochester

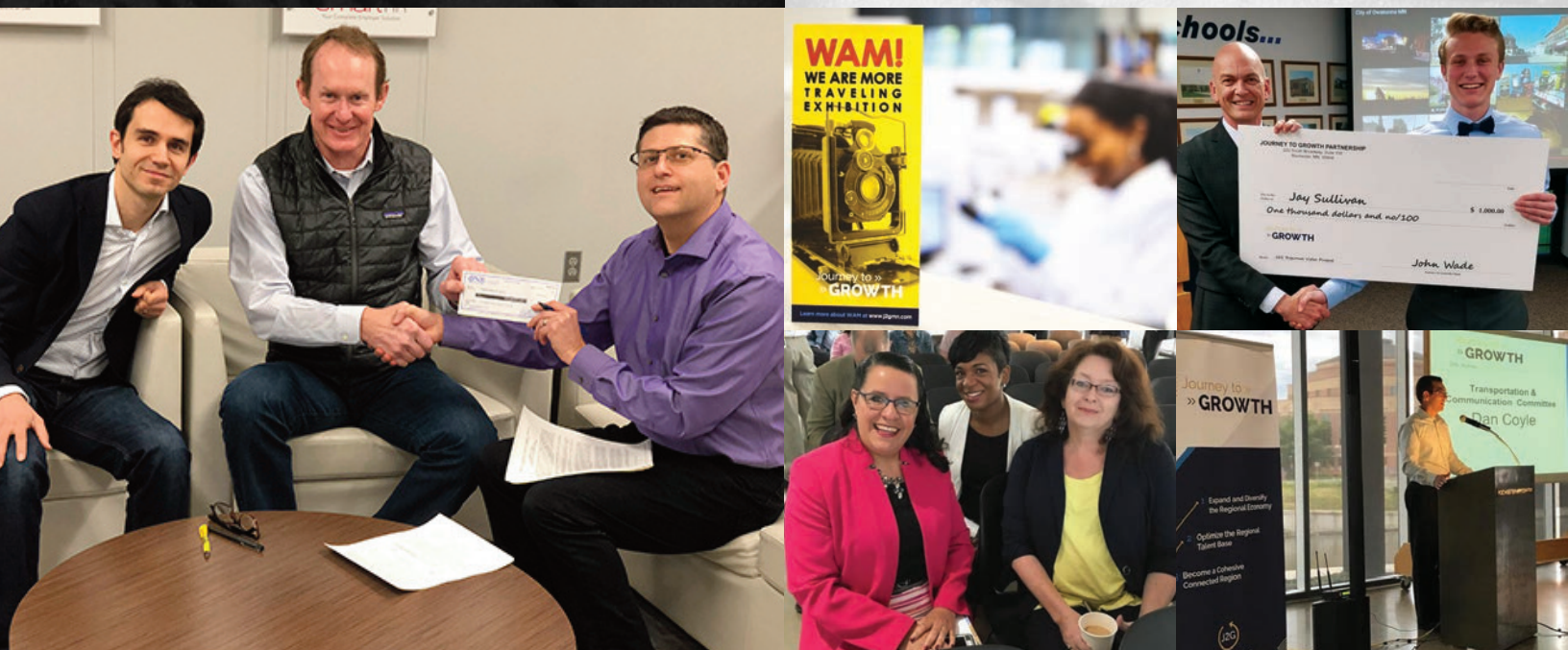
- # Mayo Clinic Business Accelerator

SE MN Capital Fund

This fund is a regional investment fund that was started in 2017 and provides financial support to the growing number of startups in the region. The fund was created by RAEDI and spearheaded by Journey to Growth (J2G) in 2017 and is backed by 40 angel investors with investment commitments of \$1.4M. The primary investment focus of the fund is on the southeast Minnesota region.

Journey to Growth 5 Year Plan

Journey to Growth (J2G) is a development initiative creating a cohesive and connected region intended to expand and diversify the economy. The five-year plan was implemented in 2014 and is currently entering its fourth year. Since its formation, J2G has advanced regional partnerships and relationships through collaborative projects, funding and communication efforts to tell our larger community story.



A LOOK BACK >>

2007 - 2012 >>>

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|---|--|
| <p>2007 Construction begins on Minnesota BioBusiness Center</p> <p>2008 Bowman Tool purchases former Kmart building designated as JOBZ project</p> <p>Minnesota Energy Resources builds new office and warehouse</p> <p>2009 Unemployment rate average was 6.6% compared to 3% in 2017</p> <p>RAEDI initiates the Rochester Entrepreneur Network (REN)</p> <p>2010 RAEDI salutes local entrepreneurs' contributions to area economy</p> | <p>2011 Regenerative medicine is an emerging core component of future medical practice</p> <p>MillCreek Life Sciences and BioMold locate businesses to the Minnesota BioBusiness Center</p> <p>Preventice designated as JOBZ project</p> <p>Western Digital buys Hitachi GST and facility remains in Rochester</p> <p>2012 Rochester Economic Development Fund (EDF) created through the Rochester sales tax</p> |
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2017 J2G Highlights

Over 150 presentations and meetings were given to diligently familiarize SE MN communities with J2G and encourage regional collaborations. Continued work with existing partners on new projects include:

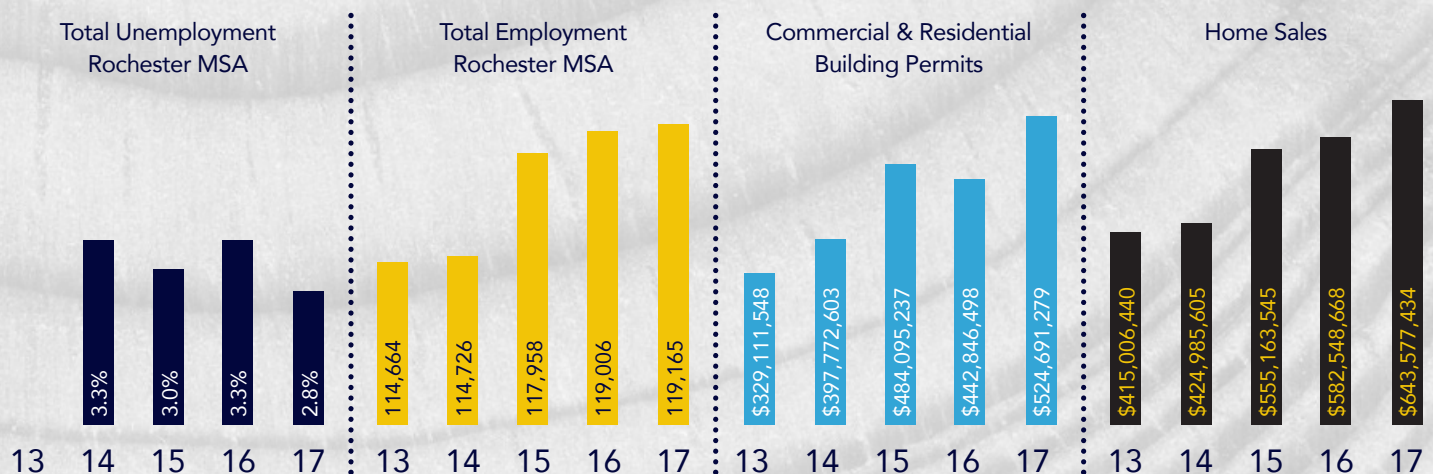
CEDA Regional Development Tours | SE MN Manufacturing Week Tours | Experience Harmony! Community Visit

DEED/WDI Workforce Success Breakout | Building Your Team in 2018

SMIF We Are More Traveling Exhibition | Regional Video Project

- > Increased funding for area highway and transportation projects.
- > The Southeast Minnesota Capital Fund has been realized and has been meeting and accepting applicants.
- > 4th Annual RAVE event, honoring regional entrepreneurs.
- > TEDx ZumbroRiver fiscal agent and sponsor.
- > Spotlight on regional success through social media, monthly newsletters and 7 quarterly public meetings throughout the region.

5 Year Economic Trends | 2013 - 2017



2013 - 2017

2013 Mayo Clinic Business Accelerator opens its doors
Charter Communications adds 140 jobs in Rochester
Rochester Medical acquired by Bard, Inc.

EZ Fabrications Expands in Chatfield

2014 Journey to Growth initiative begins
Halcon expands in Stewartville

2015 Advanced Product Incubator opens in BioBusiness Center
Pepsi Cola builds new 97,000 square foot facility in Rochester with TIF support
CH Robinson Data Center \$25 million+ project under construction in Oronoco

2016 Rochester ranked as one of 50 best cities for entrepreneurs

Kerry Bio-Science does \$25 million modernization expansion

2017 RAEDI starts SE MN Capital Fund with 40 investors by year-end

Pace International plans expansion and increases workforce with job creation grant

Kerry Bio-Science expands again