

Message from Ryan Nolander



Hello RAEDI Supporters! I wanted to make you aware of some important events coming up this Fall:

- Manufacturing Week is September 30 - October 4, 2019. RAEDI is partnering again with the Southeast Service Cooperative, Zumbro Education District, CEDA, WDI, CTech, SE Perkins Consortium, Albert Lea Public Schools, and CareerForce to organize tours with manufacturers to introduce high school students to careers in manufacturing. In 2018, 350 students visited 24 manufacturers in 17 communities. In 2019, additional schools are showing an interest, so the planning committee is working to line up more manufacturers who are willing to participate.
- Following manufacturing week, RAEDI will be partnering with DEED, CEDA, and the Stewartville Economic Development Authority to host a Manufacturing Talent and Retention Forum on Tuesday, October 8, from 9:30 a.m. – Noon in Stewartville. Stay tuned for more information and the lineup of manufacturers participating in the discussion.
- DMC's Annual Meeting is on September 19th and RAEDI and the City of Rochester's Economic Development Fund (EDF) projects will be highlighted on sidewalk stickers during the Discovery Square walking tour. Look for the stickers of the companies that have received funding from the EDF that RAEDI administers. We are proud to have assisted these new companies in establishing themselves in the Rochester area.
- Finally, mark your calendars for the 6th Annual R.A.V.E. (Recognizing Acknowledging Valuing Entrepreneurs) Event on Tuesday, October 22, 2019. This year, we will host the event at the Rochester Technology Campus in Rochester (formerly IBM Rochester Campus). Area entrepreneurs will again be recognized for their business startup success. Sponsorship opportunities are available and a RAEDI representative will be reaching out to you soon with more information on how you can help make this event free to entrepreneurs.

On behalf of the RAEDI Board of Directors and staff, thank you for your continued support of our mission to be an economic enabler to Rochester area businesses.

Regards,

A handwritten signature in blue ink, appearing to read "Ryan Nolander", with a long horizontal flourish extending to the right.

Ryan Nolander | President
Rochester Area Economic Development, Inc.



EDAM Members Visit Castle Community in Rochester

On Thursday, July 18, 2019, RAEDI staff and city officials welcomed members of the Economic Development Association of Minnesota (EDAM) to the Castle Community in Rochester. EDAM's "On the Road" tours for 2019 include visiting communities with great examples of reuse/reinvestment projects that address a need in a community. The Castle Community was selected by EDAM as a site visit to learn about reuse/reinvestment project in the Rochester community. "The Castle Project is a wonderful example of saving and redeveloping an existing building, and the EDAM on the Road event was a great way to showcase this local project to the rest of the state," said RAEDI President Ryan Nolander.

The Castle was built in 1915 and served as the Armory until 1978 when the City of Rochester renovated the building to house the Senior Citizen Center. In 2016, the Senior Center moved, and renovations began to transform the 100-year-old

building into an arts and cultural community center for all the citizens of Rochester and southeast Minnesota.

As the third largest city in the state of Minnesota, Rochester was lacking a community-focused space with a variety of programming. The project was considered with several other proposals that passed through City Council and was ultimately chosen. Attendees heard first-hand from the owners and the City about the competitive process of winning the bid and completing the \$1.2 million in renovations.

Along with Cameo Restaurant, the Castle Community includes an independent bookstore, art retail store, coffee shop, and Threshold Arts. Threshold Arts manages the indoor public commons, artist studio spaces, visual art gallery, community conference room, and the 4,500 square foot performance space which has already hosted several concerts and special programming.



Garten Marketplatz Receives 504 SBA Loan for Expansion of an Event Center

Nestled in the scenic rolling hillsides of SE Minnesota is an historic farm and home of Garten Marketplatz Perennial Farms, LLC. Owned and operated by Randy & Suzanne Lantz, and Pete Rupprecht, it was established in 1997 primarily as a garden center with a gift shop. Over the years, it has evolved to include hosting many special events. These events have included nearly 100 weddings, company meetings/parties, family reunions, birthday/anniversary parties, fundraisers, Christmas parties, and retreats. The gardens, large pergola, and wide-open spaces have unlimited room for outdoor events.

In 2019, Garten Marketplatz completed an addition called the Carriage House. The Carriage House has given them the opportunity to rent the space year-round. Citizens State Bank and 504 Corporation worked with Randy, Suzanne and Pete to secure funding for the expansion. “Working with 504 Corporation and Citizens State Bank gave us the confidence to move forward with the expansion of our business,” said Suzanne Lantz.

“With the new addition, we are hosting all types of events,” said Suzanne. While they have always had events in their gardens,

having a physical building that is heated/air conditioned, handicapped accessible, includes bathrooms and kitchen prep space, makes everything work so much better for them and more importantly, their guests. “Weather is no longer an issue either,” explained Suzanne.

The farm was settled in 1858 (the year MN became a state) and was one of the first farms built in Olmsted County. The house was completed by 1865 and has been lovingly restored and filled with gifts, locally made hand-crafted items and home decor. The large barn and other outbuildings are also well-kept and provide a quiet, peaceful ambiance along with the beautiful grounds.

Located just six miles SW of Rochester on paved roads, Garten Marketplatz is conveniently close to hotels, the airport and all Rochester has to offer, and is a welcoming destination for your next event.



| 504corporation.com



Second Quarter 2019 Economic Report

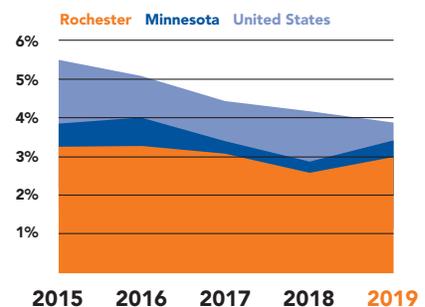
Rochester MSA Employment

Total Employment	2015	2016	2017	2018	2019
Nonfarm	118,815	120,921	123,735	124,568	126,250
Goods Producing					
Construction, Mining, Logging	4,730	4,903	5,030	5,116	5,285
Manufacturing	11,168	11,089	11,048	10,889	11,466
Service Providing					
Wholesale Trade	2,912	2,839	2,769	2,910	2,888
Retail Trade	12,506	12,709	12,555	12,413	12,331
Transportation/ Warehousing	2,895	2,763	2,789	2,680	2,556
Information	2,049	1,933	1,911	1,748	1,619
Financial Activities	2,721	2,633	2,864	2,853	2,747
Professional/Business Services	6,089	6,184	6,260	6,245	6,395
Educational/Health	46,024	47,867	49,791	50,812	51,711
Leisure/Hospitality	11,070	11,091	11,346	11,772	12,001
Other Services	3,850	3,983	4,011	3,871	3,815
Government	12,801	12,902	13,361	13,259	13,436

Source: Minnesota Department of Employment & Economic Development

Unemployment Rates

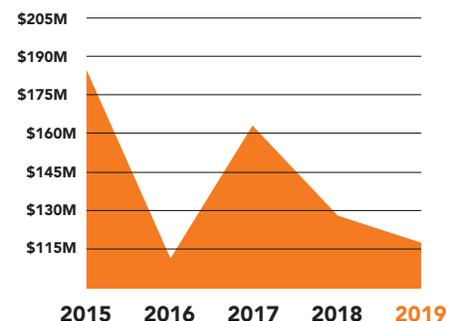
2nd Quarter	Rochester MSA	Minnesota	United States
2019	3.0%	3.4%	3.8%
2018	2.6%	2.9%	4.2%
2017	3.1%	3.4%	4.5%
2016	3.3%	4.0%	5.1%
2015	3.3%	3.8%	5.5%



Source: Minnesota Department of Employment & Economic Development

Rochester Commercial & Residential Building Permits

2nd Quarter	Valuation	Total Permits
2019	\$115,685,000	634
2018	\$128,517,764	721
2017	\$165,224,234	812
2016	\$108,091,203	819
2015	\$184,747,084	712

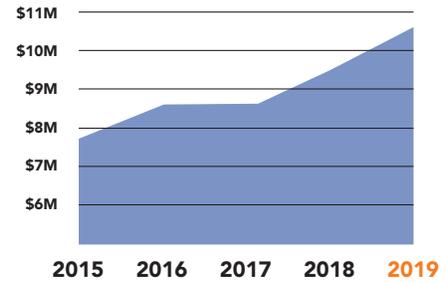


Source: Building Safety - City of Rochester

Rochester Hotel/Motel Sales Tax

May 2018 - Apr 2019	\$10,559,628.48
May 2017 - Apr 2018	\$9,623,851.88
May 2016 - Apr 2017	\$8,742,688.85
May 2015 - Apr 2016	\$8,704,970.06
May 2014 - Apr 2015	\$7,828,157.49

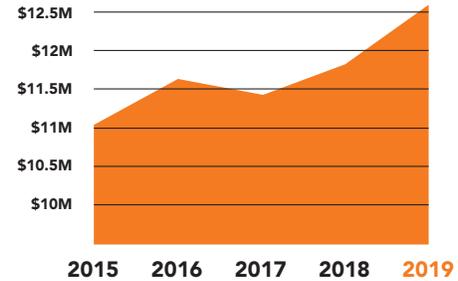
Source: City of Rochester Finance Department



Rochester Net Sales Tax

May 2018 - Apr 2019	\$12,519,921.14
May 2017 - Apr 2018	\$11,820,956.58
May 2016 - Apr 2017	\$11,476,194.00
May 2015 - Apr 2016	\$11,607,663.95
May 2014 - Apr 2015	\$11,071,752.65

Source: City of Rochester Finance Department

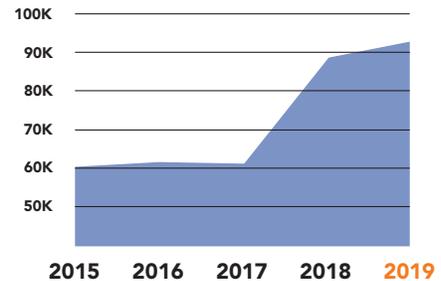


Rochester International Airport

2nd Quarter	Passenger Totals
2019	93,764
2018	89,926
2017	61,383
2016	61,534
2015	60,028

Passenger totals have shown a significant increase in the last two years due to the addition of more flights offered and the Fly Local Campaign.

Source: Rochester International Airport



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OmniTier, Inc. Receives EDF Funding

OmniTier Inc. received \$100,000 in funding from the Rochester sales-tax based Economic Development Fund (EDF) administered by RAEDI. OmniTier is the 17th company to receive funding since the Fund's inception in 2012.

OmniTier, a high-tech IT company, has developed innovative solutions that dramatically accelerate bioinformatics processes. Its core technology expands the limited memory in off-the-shelf servers by using less expensive storage memory to enable supercomputer-like performance at a fraction of the cost. Storage memory is between 10x to 100x less expensive than DRAM memory. "This innovation is critical for industries that need to analyze large datasets quickly," said Jon Coker, CTO of OmniTier.

OmniTier has established a 2,700 square foot office in Rochester and launched its CompStor® product line in

December 2018. The company is now focusing efforts on fundraising and expanding product sales. "We are very pleased to have received assistance from RAEDI and financial support from the Rochester local community through the EDF investment," said Hemant Thapar, CEO of OmniTier. "We are committed to growing the team in Rochester as our products gain traction."

RAEDI Director of Entrepreneurial Programming and EDF Fund Manager, Xavier Frigola, explained that OmniTier is developing ground-breaking solutions to process and analyze large datasets, commonly encountered by new diagnostics tools. The company has received significant private funding to advance the development of their product line, which is also now commercially available. "OmniTier is pursuing a whole new industry and the EDF support will assist in bringing additional full-time employees to Rochester," said Frigola.



- Between 8 and 10 companies apply for funding every year.
- The Fund supports 4-5 projects every year.

- The Fund has provided \$2.3M in financial support from 2013 to mid 2019.
- 17 companies have received Economic Development Fund support.



WE Panel Presents "Effective Marketing Strategies for Your Business"

The WE (Women Entrepreneurs) July panel discussion on Thursday, July 18, 2019, focused on "Effective Marketing Strategies for Your Business." Panelists included: Sarah Miller of White Space, Joselyn Raymundo of Rochester Home Infusion, Sheila Thoma of Titan Development & Associates, Kati Cooley of Centric: Moving Your Business Forward & the Courageous Collective, and Amanda Leightner of Rochester Rising.

"Entrepreneurs certainly recognize the value of effective marketing, but frequently struggle to develop their own effective marketing strategy for their companies. With limited time and resources, and often no experience or background in marketing, small startups need to know the best ways to leverage their time and resources to achieve the most impact," said Christine Beech, moderator of the panel and Executive Director of the Kabara Institute for Entrepreneurial Studies.

This panel of entrepreneurs and marketing professionals offered insight and experience to help attendees craft their best marketing strategy for their business.

The WE Forum was created to empower women, create community, and learn together for women from across the southeastern Minnesota region. Sponsors include RAEDI and The Kabara Institute for Entrepreneurial Studies, Saint Mary's University, who support and fund the forums.

The next forum on September 19th will consist of a workshop, as a follow-up to the panel discussion, and will be run by Sarah Miller of White Space. The workshop will focus on marketing with a team of one and promoting your business without a marketing department. Registration for this free event is available through Eventbrite.



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