Fillmore County | Canton | Chatfield | Fountain | Harmony | Lanesboro | Mabel | Wabasha County | Bellechester | Elgin | Hammond | Kellogg | Lake City | Mazeppa | Dodge County | Blooming Prairie | Claremont | Dodge Center | Hayfield | Oronoco | Olmsted County | Byron | Dover | Eyota | Kasson | Rochester | Stewartville | Chatfield | Pine Island | West Concord | Mantorville | Wabasha | Zumbro Falls | Ostrander | Millville | Minneiska | Plainview | Peterson | Preston | Rushford | Spring Valley | Whalan | Wykoff |

RAEDI
Rochester Area Economic Development Inc.

2017: A Look Back

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

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

504 CORPORATION
A Lender to Small Business

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

1989 Rochester Medical builds $1.35 million building in Stewartville Industrial Park

1990 Schmidt Printing adds 70,000 sq ft in Byron

Domaille Engineering opens its doors

RAEDI starts business incubator program

1991 504 Corporation formed

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

1993 IBM Rochester layoffs

1994 Pemstar, Inc. created adding 125 jobs by year-end

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

Progressive Tool & Manufacturing Co. completes 47,500 sq ft manufacturing building adding 10 jobs and over $500,000 of new income to economy

Quest International expands with a 33,000 sq ft addition and 25 more workers creating $3M of new income

Western Digital opens doors in Rochester

2017

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

The Accelerator opened its doors in March 2013 to promising local startups. The Accelerator is a partnership between RAEDI, the City of Rochester, and Mayo Clinic and is located in two locations on the second floor of the Minnesota BioBusiness Center. RAEDI handles the management and leasing of the space and currently has over 20 tenants and six graduates. Accelerator tenants raised a total of $14.4 million in 2017 and created 15 new jobs in 2017.

Accelerator Statistics Over 5 Years

46 tenants to date

21 average number of tenants

6 tenants graduated to date

$39M funds raised by tenants and graduates

95 new jobs created to date

7 corporate and venture capital partners

7,650 unique clicks (96 email campaigns and 1,500 recipients each)

65 entrepreneurial events organized (2,000 + in attendance)

8 community organizations supported

2001 - 2006 >>

2001 Pemstar expands with 96,000 sq ft addition with plans to add 120 jobs.

Celestica opens new factory along West Circle Drive

Charter Communications opens new call center

2002 JDS Uniphase breaks ground

2003 Celestica closes its doors losing nearly 600 jobs

Global Hitachi Storage Technologies opens employing 200

376 acres approved for JOBZ in Rochester MSA

2004 Pace International, Mayo Collaborative Services, Inc., Schmidt Printing, Global Dairy Solutions & Midwest LeafGuard complete JOBZ expansions

2005 IBM Rochester plays major role in development of the super computer, Blue Gene

Minnesota Partnership for Biotechnology & Medical Genomics constructs new research facility

Pace International purchases 4 acres under JOBZ program and plans to double employment

2006 Benchmark Electronics acquires Pemstar

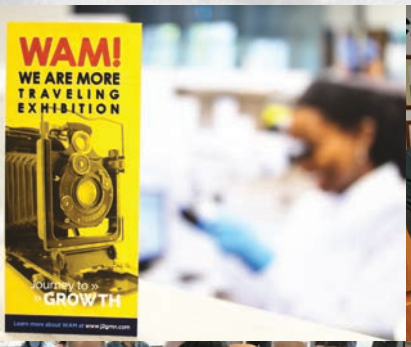
$8 million in bonding funds approved to construct Minnesota BioBusiness Center

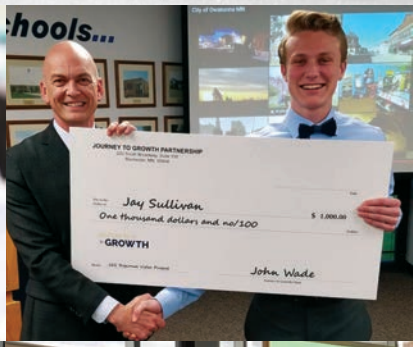
SE MN Capital Fund

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 >>

2007 Construction begins on Minnesota BioBusiness Center

2008 Bowman Tool purchases former Kmart building designated as JOBZ project

Minnesota Energy Resources builds new office and warehouse

2009 Unemployment rate average was 6.6% compared to 3% in 2017

RAEDI initiates the Rochester Entrepreneur Network (REN)

2010 RAEDI salutes local entrepreneurs' contributions to area economy

2011 Regenerative medicine is an emerging core component of future medical practice

MillCreek Life Sciences and BioMold locate businesses to the Minnesota BioBusiness Center

Preventice designated as JOBZ project

Western Digital buys Hitachi GST and facility remains in Rochester

2012 Rochester Economic Development Fund (EDF) created through the Rochester sales tax

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.

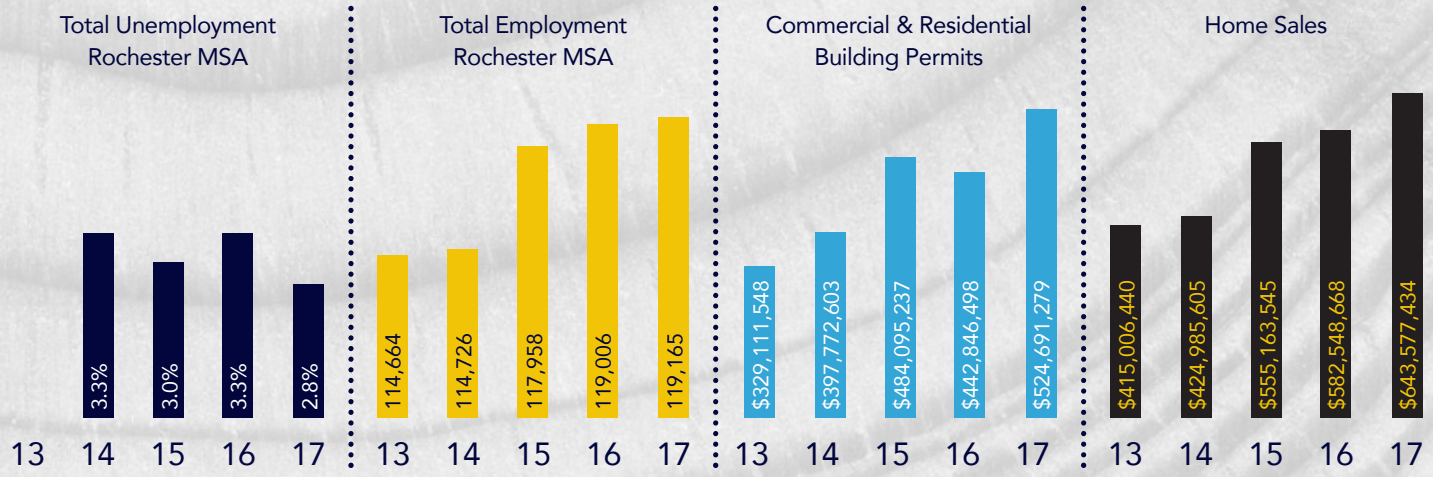
> The Southeast Minnesota Capital Fund has been realized and has been meeting and accepting applicants.

> 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