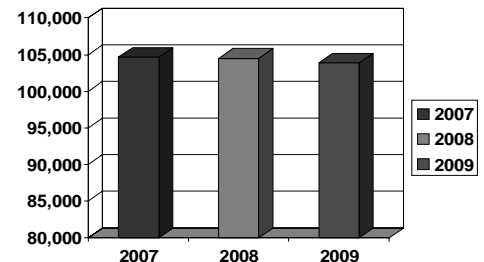


Quarterly Economic Report

Total Employment

Total employment in the last 12 months has shown a decrease of 639 jobs. For the first quarter, employment decreased by 2.3 percent from fourth quarter 2008. The loss of 2,482 jobs brought total employment to 103,831 from the December level of 106,313. Totals for January, February and March were 104,705, 103,706, and 103,831 respectively.

**Total Employment
First Quarter Comparison**



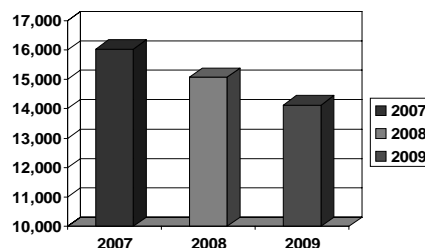
Goods Producing

Overall, the goods producing sector declined with a job loss of 941 or 6.2 percent in the past 12 months.

A slowdown for first quarter in the goods producing area totaled a loss of 1,198 jobs or 7.8 percent.

Both manufacturing and construction posted decreases for the quarter of 682 and 516 respectively. Employment totals in goods producing for January, February and March were 14,580, 14,301 and 14,132.

**Goods Producing Employment
First Quarter Comparison**

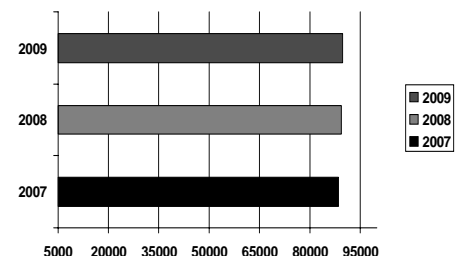


Service Providing

In the last 12 months, service providing payroll levels have increased by 302 jobs for a growth rate of three-tenths of one percent. Education and health services reported the largest gain of 1,217 jobs in the last year.

For the quarter, the service providing sector reported a seasonal loss of 1,284 jobs or 1.4 percent from fourth quarter 2008.

**First Quarter
Service Providing Comparison**

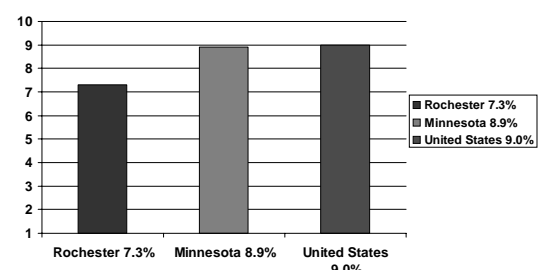


Unemployment Rate

The Rochester unemployment rate increased by 1.8 percent since December ending the first quarter rate in March at 7.3 percent. The rates for January and February were 7.0 and 7.2 percent respectively. The Rochester average remains below the state and U.S. averages of 8.9 and 9.0 percent respectively. During the past 12 months, the average unemployment rate for Rochester was 5.2 percent.

The March labor force figure of 105,177 represents an increase of 1.72 percent from the December figure of 103,395.

**First Quarter Unemployment
Comparison Percentage**



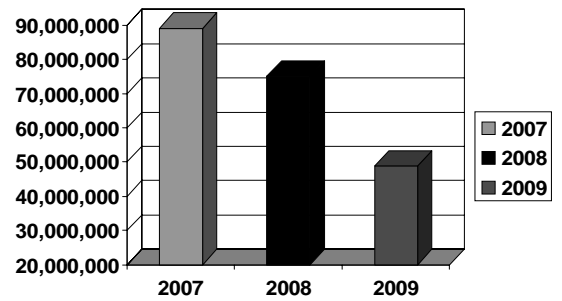
Source: Minnesota Department of Employment & Economic Development

Building Activity

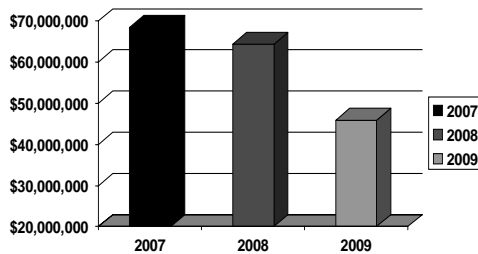
Commercial and residential building permits issued for first quarter 2009 totaled \$48,794,139. This represents decreases of 35 percent from first quarter 2008 (\$75,046,567) and 45 percent from 2007 (\$89,036,726). Permits over \$500,000 for first quarter 2009 included Seneca Food warehouse addition, 8 unit multi-family building, building shell for Charter Communications, 12th floor fit up in Mayo Gonda Building, remodel of general surgery at Olmsted Medical Center, alterations to relocate the IBM B681 (old K-mart building), J.E.T.S. Gymnastics Center, east expansion shell of St. Mary's Hospital Mary Brigh area, new Olmsted Medical Clinic, and footings and foundation for cold storage for Olmsted Public Works Service Center.

Source: Rochester Building Safety Department

First Quarter Annual Commercial & Residential Valuation Comparison



First Quarter MLS Sales



First Quarter Home Sales

First quarter sales of single family homes in Rochester were \$45,901,492. This represents decreases of 28.6 percent and 32.9 percent over first quarters 2008 and 2007 respectively.

The average home remains on the market in the Rochester area for 131 days. Mortgage rates continue to remain low.

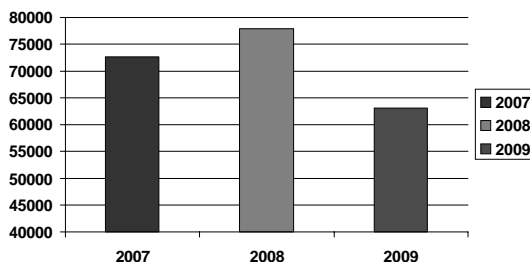
Source: SE Minnesota Association of Realtors

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This report is published quarterly and is available through our website at raedi.com or by calling the Rochester Area Economic Development, Inc. office at (507) 288-0208.

Airport Passenger Traffic First Quarter Comparison



Quarterly Airport Traffic

The Rochester Airport serviced 63,143 passengers during the first quarter of 2009. This represents decreases of 19 percent over first quarter 2008 (77,924 passengers) and 13 percent over first quarter 2007 (72,654 passengers). Passenger totals for January, February and March were 23,750, 24,039, and 30,135 respectively.

Air cargo shipments were down nine-tenths of one percent from first quarter 2008 and up 36.4 percent from 2007.

Source: Airport Manager

First Quarter